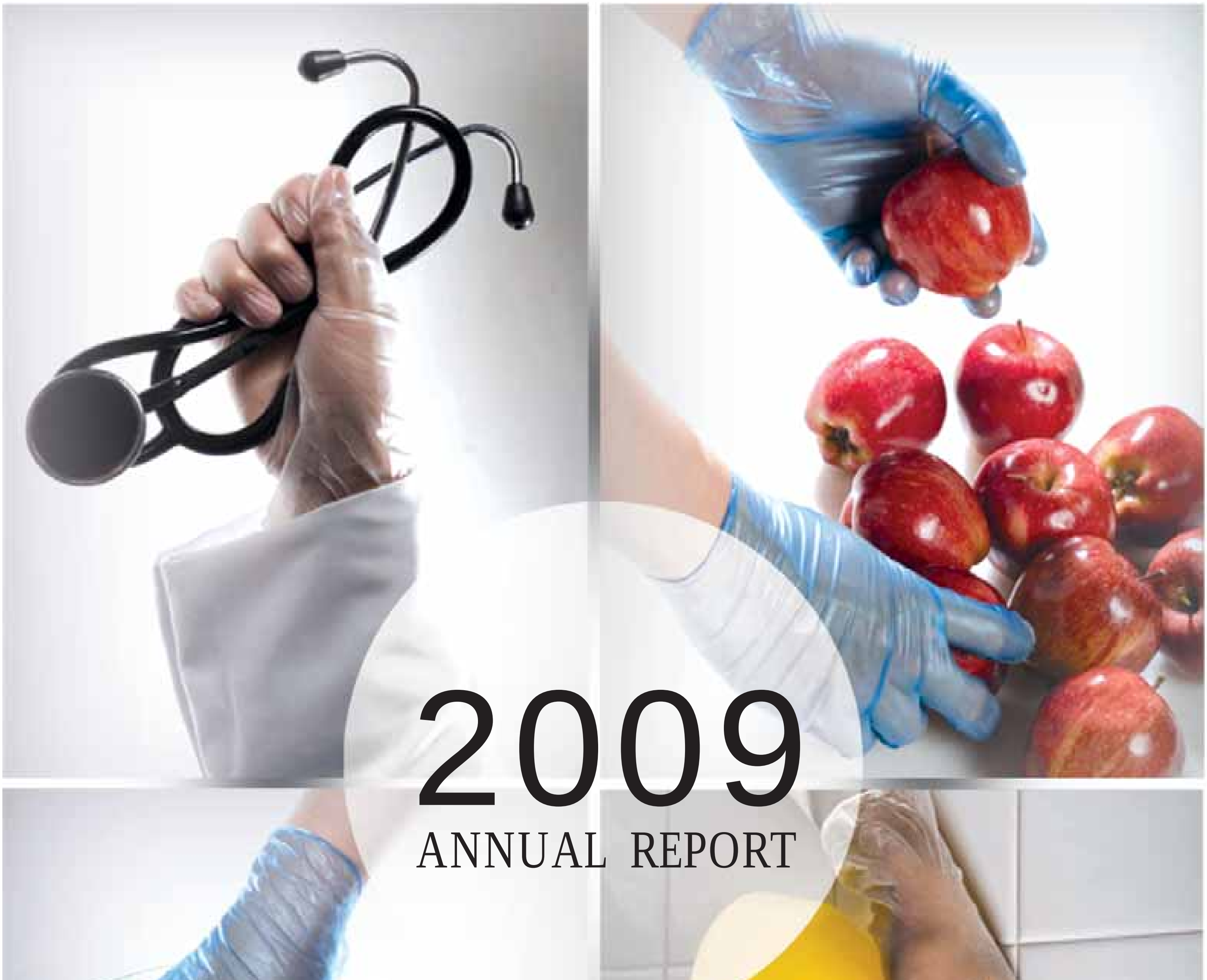

2009 ANNUAL REPORT

Rubberex
Corporation (M) Berhad

Rubberex
Corporation (M) Berhad

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of Rubberex Corporation (M) Berhad will be held at 10:00 a.m. on Thursday, 27 May 2010 at Kinta Room, First Floor, Impiana Hotel, 18, Jalan Raja Dr. Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2009 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees. **(Resolution 2)**

3. To re-elect the following Directors retiring in accordance with Article 91 of the Articles of Association of the Company:-

   (i) Dato' Mohamed bin Hamzah **(Resolution 3)**
   (ii) Yap Jek Nan **(Resolution 4)**

4. To appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

5. As Special Business to consider and, if thought fit, to pass the following Ordinary Resolution:-

   Ordinary Resolution

   Proposed Renewal of Authority for RUBBEREX CORPORATION (M) BERHAD to purchase its own ordinary shares of RM0.50 each representing up to 10% of the issued and paid-up share capital of the Company.

   "THAT, subject to the provisions of the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad and any applicable laws, rules, orders, requirements, regulations and guidelines for the time being in force or as may be amended, modified or re-enacted from time to time and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company ("Directors") from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that the total aggregate number of shares purchased pursuant to this resolution shall not exceed 10% of the total issued and paid-up share capital of the Company at any point in time of the said purchase(s); and that the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits and share premium of the Company for the Proposed Share Buy-Back;

   AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to decide at their discretion to cancel all the shares so purchased and/or to retain the shares so purchased as treasury shares of which may be distributed as dividends to shareholders and/or to resell on the market of Bursa Malaysia Securities Berhad and/or to retain part thereof as treasury shares and cancel the remainder;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and / or guarantees as they may deem fit, necessary, expedient and / or appropriate in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and / or amendments, as may be required or imposed by any relevant authority or authorities;

AND THAT the Directors be and are hereby empowered immediately upon the passing of this Ordinary Resolution until the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or the earlier revocation or variation of their authority through a general meeting whichever is the earliest, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date". **(Resolution 6)**

6. To transact any other ordinary business of the Company for which due notice has been given.

By order of the Board

CHAN CHEE KHEONG (MAICSA 0810287)
CHANG POOI YEE (MAICSA 7036213)

Secretaries

Ipoh
03 May 2010

Note:
A member of the Company entitled to attend and vote at the above-mentioned Meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each Proxy. The instrument appointing a proxy must be deposited at the Company's registered office at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

Ordinary Resolution

Proposed Renewal of Authority for RUBBEREX CORPORATION (M) BERHAD to purchase its own ordinary shares of RM0.50 each representing up to 10% of the issued and paid-up share capital of the Company.

The resolution, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained profits and share premium of the Company. Please refer to the Share Buy-Back Statement dated 03 May 2010, which is dispatched together with the Company's Annual Report 2009.

Statement Accompanying
The Notice of Annual General Meeting

1. Names of Directors who are standing for re-election:-

(i) Dato' Mohamed bin Hamzah (retiring pursuant to Article 91 of the Articles of Association of the Company);
(ii) Yap Jek Nan (retiring pursuant to Article 91 of the Articles of Association of the Company); and

2. Details of attendance of Directors at Board Meetings:-

Four Board Meetings were held during the financial year from 01 January 2009 to 31 December 2009. Details of attendance of Directors at Board Meetings are stated in the Statement of Corporate Governance on page 12 of the Annual Report.

3. Date, time and venue of Board Meeting:-

The Fourteenth Annual General Meeting of the Company will be held at 10:00 a.m. on Thursday, 27 May 2010 at Kinta Room, First Floor, Impiana Hotel, 18, Jalan Raja Dr. Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan.

4. Profile of Directors standing for re-election:-

Please refer to page 6 of the Annual Report.

5. Securities Holdings in the Company and its Subsidiaries:-

The Company:-
Please refer to page 19 of the Annual Report.

Subsidiary Companies:-
None of the directors have any shareholdings in the subsidiary companies.

6. Family Relationships:-

None of the Directors standing for re-election have any family relationship with the other Directors or major shareholders of the Company.

7. Conflict of Interest:-

None of the Directors standing for re-election has any conflict of interest with the Company.

8. Conviction of Offences:-

None of the Directors standing for re-election has been convicted of any offences for the past 10 years, other than traffic offences, if any.

Corporate Information

DIRECTORS	Y. Bhg. Dato' Mohamed bin Hamzah *Chairman* Ping Kok Koh *Managing Director* Sharifuddin bin Shoib Poh Choo Lim Yap Jek Nan Y. Bhg. Dato' Abdul Rahim bin Abdul Halim Mustapha bin Mohamed Voon Chong Kian *Alternate to Ping Kok Koh*
SECRETARIES	Chan Chee Kheong, MAICSA 0810287 Chang Pooi Yee, MAICSA 7036213
AUDITOR	Deloitte KassimChan Chartered Accountants
PRINCIPAL BANKERS	HSBC Bank Malaysia Berhad RHB Bank Berhad Malayan Banking Berhad
REGISTERED OFFICE	41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan. Tel no.: 605 545 1222 Fax no.: 605 545 9222
REGISTRAR	Tricor Investor Services Sdn Bhd (Formerly known as Tenaga Koperat Sdn Bhd) 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan.
STOCK EXCHANGE LISTING	Bursa Malaysia Securities Berhad (Main Market)
WEBSITES	www.rubberex.com.my www.rubberex-corp.com.my www.lplglove.com www.rubberex-spain.es www.biogreenmedical.com.my

Directors' Profile

Dato' Mohamed bin Hamzah, aged 68, a Malaysian, is the independent non-executive Chairman of the Company. He was appointed to the Board of the Company on 24 October 1996 and assumes his current position on 30 November 1998. He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees of the Board. Dato' Mohamed bin Hamzah obtained a Bachelor of Arts (Economics) degree from University of Malaya in 1965 and a Masters degree in Business Administration from University of Edinburgh, United Kingdom in 1975. He was appointed to the Board of Rubberex (M) Sdn Berhad, a wholly owned subsidiary of the Company, on 15 June 1991. Dato' Mohamed bin Hamzah spent 25 years of his career as a Government officer in the Diplomatic and Administrative Service. He served as the Deputy-Secretary General of the Ministry of Transport and Director of Land and Mines, Perak from 1984 to 1991. He was also on the Board of Perak State Development Corporation from 1984 to 1990. He also served as Deputy Chairman of Klang Port Commission, Director of Penang Port and Klang Container Terminal from 1990 to 1991.

In 1991, Dato' Mohamed bin Hamzah retired optionally from the government service to join IGB Corporation Berhad as the Chief Operating Officer for the Perak operations of its property related business. He is currently the Chairman of Clearwater Sanctuary Golf Management Bhd which owns and operates a recreational resort for golf, and also a director of Royal Perak Golf Club Berhad in Ipoh, Perak.

Mr. Ping Kok Koh, aged 57, a Malaysian, is a non-independent Managing Director of the Company. He is a Fellow Member of the Association of Chartered Certified Accountants. He joined Rubberex (M) Sdn Berhad, a wholly owned subsidiary of the Company, in 1994 as the Financial Controller and was appointed to the Board of Rubberex (M) Sdn Berhad on 06 September 1995. Mr. Ping Kok Koh was subsequently appointed to the Board of the Company on 19 March 1998 and assumes his present position on 01 January 1999. He was previously attached to IGB Corporation Berhad where he worked as the Accountant and later as Group Accountant from 1981 to 1994. He was also formerly a director of Ipmuda Berhad and IJM Corporation Berhad.

En. Sharifuddin bin Shoib, aged 62, a Malaysian, is a non-independent non-executive director of the Company. He was appointed to the Board of the Company on 24 October 1996. He is also the Chairman of the Remuneration Committee of the Board. He holds a Bachelor of Engineering (Mechanical) degree from Australia which was obtained in 1974 and became a registered Professional Engineer of Malaysia. He has been a board member of Rubberex (M) Sdn Berhad, a wholly owned subsidiary of the Company, since inception. En. Sharifuddin had previously joined Dijaya Corporation Bhd as Factory Manager in July 1983 and was promoted to General Manager and subsequently to Executive Director from August 1991 to June 1994. Prior to joining Dijaya, he held various positions in UAC Berhad from 1970 to 1983. He was the Deputy Manager in Heavy Industries Corporation of Malaysia Berhad (HICOM) from January 1983 to July 1983. Currently, En. Sharifuddin is a non-executive Chairman of OKA Corporation Berhad and the non-executive Chairman of Rubber Thread Industries (M) Sdn Bhd ("RTI"). The principal activities of RTI are the manufacture and export of extruded rubber threads.

Mr. Poh Choo Lim, aged 59, a Malaysian, is a non-independent non-executive director of the Company. He was appointed to the Board on 18 June 2001. He is the Chairman of the Nomination Committee. Currently, Mr. Poh is actively involved in the housing and development industry as well as the hotel management business. He is also the Executive Director of Aun Huat & Brothers Sdn Bhd and Grand View Hotel in Ipoh, Perak.

Directors' Profile (cont'd)

Mr. Yap Jek Nan, aged 44, a Malaysian, is an independent non-executive director of the Company. He was appointed to the Board of the Company on 24 October 1996. After completing his studies in the United States in 1988, he spent 10 years working in manufacturing and property development companies within the IGB Corporation Berhad group of companies. He is currently the director of Gunung Lang Development Sdn Bhd, a property development company.

Dato' Abdul Rahim bin Abdul Halim, aged 60, a Malaysian, is an independent non-executive director of the Company and was appointed to the Board on 09 August 2002. Dato' Abdul Rahim bin Abdul Halim is a qualified economist by profession. He holds a Bachelor of Economics (Honours) degree from the University of Malaya and has served in several senior positions in the Ministry of International Trade and Industry (MITI) and Daihatsu Malaysia Sdn Bhd (DMSB). In 1978, Dato' Abdul Rahim joined Med-Bumikar Mara Sdn Bhd as the Director/General Manager and he has extensive experience in the motor vehicle industry where he was also involved in the formation of Daihatsu Malaysia Sdn Bhd, the sole franchise holder for Daihatsu motor vehicles in Malaysia. Prior to this, he was the Managing Director of MBM Resources Berhad. He is also currently on the Board of Intelligent Edge Technologies Berhad, Central Cables Berhad, Colonial Motors Company Limited and several private companies including Perusahaan Otomobil Kedua Sdn Bhd ("Perodua") and Daihatsu Malaysia Sdn Bhd, where he is presently the Chairman.

En. Mustapha bin Mohamed, aged 64, a Malaysian, is a independent non-executive director of the Company, appointed since 11 April 2008. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. He is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Accountant with the Malaysian Institute of Accountants and Certified Public Accountants (Malaysia). En. Mustapha bin Mohamed was previously with Coopers & Lybrand Malaysia (now known as Pricewaterhouse Coopers) for 22 years from 1971 to 1993 of which he was a Partner from 1987 to 1993. He previously served as director of Gadek Berhad, Gadek Capital Berhad, Ipmuda Berhad, Credit Corporation of Malaysia Berhad, Ho Hup Construction Company Berhad and MHC Plantations Berhad. He is currently a director of Majuperak Holdings Berhad and is also involved in his own business, providing advisory services in relation to his own profession.

Mr. Voon Chong Kian, aged 52, a Malaysian, is the alternate director to the Managing Director, Mr. Ping Kok Koh. Mr. Voon is the Executive Director responsible for the Group's manufacturing operations. Prior to joining Rubberex (M) Sdn Berhad, a wholly owned subsidiary of the Company, in 1987, Mr. Voon was attached to Ansell (M) Sdn Bhd for 9 years, his last position as the Quality Assurance Manager. The principal activities of Ansell (M) Sdn Bhd are the manufacture and export of household and surgical gloves.

Chairman's Statement

Introduction

On behalf of the Board I am pleased to present the Annual Report of the Company for the financial year ended 31 December 2009.

Global growth in the world economy fell to 0.5% in 2009, its lowest rate since World War II, according to the IMF. The financial meltdown that was encountered in the second half of 2008 continued into the year to adversely affect business and investment sentiments leading to significant job losses especially in the US and cut-backs in business and consumer spending worldwide.

Concerted efforts and international cooperation by governments therefore became necessary to contain the deep global downturn, restore confidence in the international financial markets and avert the repeat of the Great Depression of the 1930s. Enormous economic stimulus measures were thus introduced to turn the economy around apart from the other fiscal policy measures implemented to restore finance sector functionality and unclog the credit crunch.

With these measures taken, global production and trade improved in the second half of 2009. Driving the global rebound had been the unprecedented amount of billions of dollars of fiscal stimulus packages spent by governments such as the US, China, Japan, UK and those in the Euro zone. Monetary policy had also been highly expansionary with interest rates down to record lows in many advanced and emerging economies.

Group performance for the year under the above circumstances could be regarded as satisfactory. Our operating profit before finance costs, depreciation, amortisation and taxes increased by 43% from RM32.5 million in 2008 to RM46.6 million in 2009. The effect of better product selling prices and more favourable exchange rates had also contributed to the better performance of the Group.

Financial Results

The Group achieved a sales turnover of RM317.6 million in 2009 compared to RM274.5 million in 2008. This represented an increase of 16%, with significant contribution coming from our China operations where the earlier phases and even some newer lines involving the production of vinyl disposable gloves had achieved maximum capacities. Our highest contributor of revenue growth came from the sales of vinyl disposable gloves which saw an increase of RM74.1 million itself for the financial year just ended.

Group pretax profits improved from RM11.9 million in 2008 to RM23.3 million, a significant leap of almost 96%, on the back of improved revenue growth and strategic cost control policies. Group profit after tax attributable to shareholders rose from RM8.6 million in 2008 to RM17.3 million for the financial year 2009, largely accredited to the timely acquisition of the remaining interests in our China operations as well as the additional 20% equity interest in another Hong Kong subsidiary in June 2009.

Dividends

The Board will continue with its policy of paying dividends as long as Group performance is satisfactory. The first interim dividend of 7 sen less tax in respect of the financial year just ended was paid on 15 January 2009. The Company also paid another dividend of 6 sen tax-exempt in February 2010 in respect of financial year 2010.

Chairman's Statement (cont'd)

Future prospects

The latest leading US economic indicators are showing signs of an economic recovery and hence it augurs well for the Group's products especially in the US and Europe where automotive and its related sectors are major markets for the Group's products.

Our disposable vinyl gloves will continue to be the Group's main revenue and earnings contributor. As such, the China operation and its expansion plans will still be the main focus for the Group.

Despite the positive world economic outlook, escalating raw material prices since the end of 2009, the strengthening of the Malaysian Ringgit and possibly the Chinese Yuan, which is facing mounting pressures from the US lately to revalue the currency, may have a negative impact on the overall profit margin. However, the management believes that these are short term effects and are confident of passing the costs to customers through our price adjustment mechanism.

Appreciation and acknowledgment

On behalf of the Board, I wish to express our sincere appreciation to the management and staff of the Group for their hard work and dedication. Our thanks also go towards the Malaysian government, the relevant authorities, our customers, shareholders, bankers, advisors and business associates for their valued support and assistance.

Thank you.

Dato' Mohamed bin Hamzah
Chairman

Terms of Reference of the Audit Committee

MEMBERS OF THE AUDIT COMMITTEE

Dato' Mohamed bin Hamzah	(Chairman, Independent Non-Executive Director)
Dato' Abdul Rahim bin Abdul Halim	(Independent Non-Executive Director)
Mustapha bin Mohamed	(Independent Non-Executive Director)

COMPOSITION OF THE AUDIT COMMITTEE

The Committee shall be appointed by the Board of Directors from amongst their members and shall consist of not less than 3 members. All members shall not be executive directors of the Company or any related corporation.

The members of the Committee shall elect a Chairman from among their members who is not an executive director or employee of the Company or any related corporation.

FUNCTIONS OF THE AUDIT COMMITTEE

The functions of the Audit Committee include the following:-

1. Review of the external auditors' scope of work and their audit plan.

2. Reviewing with the external auditors on the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.

3. Reviewing the audited financial statements before recommending for the Board of Directors' approval.

4. Reviewing the Company's compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

5. Review of the quarterly unaudited financial results announcements and recommending for the Board of Directors' approval.

6. Review of the Internal Audit Department's staffing needs, programs and plans for the financial year under review and regular assessment of the Internal Audit Department's performance.

7. Review of the audit reports presented by Internal Audit Department on findings and recommendations with regards to systems and controls weaknesses noted in the course of their audit and management's response thereto and ensuring material findings are adequately addressed by management.

8. Review of the Company's status of compliance with the Malaysian Code on Corporate Governance for the purpose of the issuing of a Corporate Governance statement.

MEETINGS OF THE AUDIT COMMITTEE

1. Meetings shall be held not less than four times a year. The external auditor attends at least two of these meetings in a year.

2. The quorum necessary for the transaction of the business of the Committee shall be two.

3. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Committee.

4. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

5. The Committee may regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereof, the keeping of minutes and the custody, production and inspection of such minutes.

6. The company secretary shall be the secretary of the Committee.

NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

Five audit committee meetings were held during the financial year ended 31 December 2009. The attendance record of each member is as follows:-

Audit committee members:-	**Attendance**
Dato' Mohamed bin Hamzah	5/5
Dato' Abdul Rahim bin Abdul Halim	4/5
Mustapha bin Mohamed	5/5

Statement of Corporate Governance

Rubberex believes in good corporate governance in the conduct of its operations, dealings with third parties and financial management of the organisation and recognises its importance to protect the interests of the Company's shareholders, including those of the minority shareholders.

The following are statements on application of the principles laid down in the Malaysian Code on Corporate Governance ("Code"). The Company has, throughout the financial year ended 31 December 2009, complied with the Code.

THE BOARD OF DIRECTORS

Principal Duties

The Board takes full responsibility for the overall performance of the Company and the Group by setting the vision and objectives and by directing the policies, strategic action plans and stewardship of the Group's resources. It focuses mainly on strategies, financial performance and critical business issues.

Composition of the Board

The Board is made up of one executive director and six non-executive directors, three of which are independent directors. The Managing Director, Ping Kok Koh has many years of experience in the Group's core businesses. The Group is focused on businesses it is good at and the intimate knowledge and vast experiences of the management team in the business has enabled the Group to achieve leadership positions in its chosen industry.

The non-executive directors are individuals of calibre and credibility, including some with vast varied experiences and seniority. The non-executive directors are actively involved in various Board committees. They provide a broader view, independent assessment and opinions on management proposals.

Although a relatively small Board, it provides an effective blend of entrepreneurship, business and professional expertise. The Board has at least four regularly scheduled meetings annually. Board meetings bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

In order to be kept abreast of new regulatory development and listing requirements, the directors have attended various conferences, seminars and public talks to keep abreast with developments in the business environment as well as new regulatory requirements in Malaysia and overseas.

Four Board Meetings were held during the financial year ended 31 December 2009. The attendance record of each director during the year is as follows:

Name	Attendance
Dato' Mohamed bin Hamzah	4/4
Ping Kok Koh	4/4
Sharifuddin bin Shoib	3/4
Poh Choo Lim	4/4
Yap Jek Nan	4/4
Dato' Abdul Rahim bin Abdul Halim	4/4
Mustapha bin Mohamed	4/4
Voon Chong Kian (alternate to Ping Kok Koh)	4/4

The Board composition in respect of the ratio of independent directors is three or one-third of the Board, in compliance with Bursa Malaysia Securities Berhad's Listing Requirements.

The roles of the Chairman and the Managing Director are distinct and separate with responsibilities clearly drawn out to ensure a balance of power and authority. Generally, executive directors are responsible for making and implementing operational decisions. Non-executive directors play a key supporting role, contributing their knowledge and experience towards the formulation of policies and in the decision-making process.

There is also balance in the Board with the presence of independent directors who are individuals of credibility and repute and who demonstrate objectivity and clear independence of judgement.

Supply of information

All Board members are supplied with information in a timely manner. Board reports are circulated prior to the Board Meetings to enable the Directors to obtain further information and explanation, where necessary, before the meetings.

The Board reports provide, amongst others, periodical financial and corporate information, significant operational, financial and corporate issues, performance of business units and management proposals that require Board's approval, including the annual Group budget.

The Board has the service of two Company Secretaries who ensure that all appointments are properly made, that all necessary information is obtained from the Directors, both for the Company's own records and for the purposes of meeting statutory requirements as well as obligations arising from the Listing Requirements or other regulatory requirements. The Company Secretaries are also charged with highlighting all issues that they feel ought to be brought to the Board's attention.

Besides Company Secretaries, independent directors also have unfettered access to the financial officers and internal auditors of the Company.

In exercising their duties, Board committees are entitled to obtain professional opinions or advice from external consultants such as merchant bankers, valuers, human resource consultants, etc.

Appointment of Directors

The Nomination Committee of the Company is responsible for making recommendations for any appointments to the Board. In making these recommendations, the Nomination Committee considers the required mix of skills and experience that the directors should bring to the Board. Any new nomination received is forwarded to the full Board for assessment and endorsement.

The Nomination Committee comprises the following directors:

Poh Choo Lim (Chairman)
Dato' Mohamed bin Hamzah
Mustapha bin Mohamed

Re-election

Under the existing provisions of the Company's Articles of Association, one third of the directors are required to retire from office by rotation at least once every three years and subject to re-election at each Annual General Meeting.

Directors' Remuneration

The Company's remuneration scheme is linked to performance, service seniority, experience and scope of responsibilities. The Remuneration Committee of the Company comprises the following directors:

Sharifuddin bin Shoib (Chairman)
Dato' Mohamed bin Hamzah
Mustapha bin Mohamed

The Committee ascertains and approves remuneration packages of executive directors in accordance with the Company's policy guidelines and with reference to external benchmark reports.

Fees for non-executive directors are determined by the full Board with the approval from shareholders at the Annual General Meeting. Individual directors affected are not involved in the approval of their own packages.

The details of the remuneration of directors of the Company comprising remuneration received or receivable from the Company and subsidiary companies during the financial year ended 31 December 2009 are as follows:-

1. Aggregate remuneration of directors categorised into appropriate components:

	Emoluments RM	**Fees RM**	**Total RM**
Executive Directors	622,424	-	622,424
Non-executive Directors	-	127,500	127,500

2. Number of Directors whose remuneration falls into the following bands:

Range of remuneration	**Executive**	**Non-executive**
Below RM50,000	-	6
RM600,001 to RM650,000	1	-

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Annual Audited Financial Statements

The Directors are responsible for ensuring that the Company keeps proper accounting records and that the accounts and other financial reports are prepared in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

Financial Reporting

A comprehensive Annual Report is published and sent to all shareholders at the end of each financial year. Through the Chairman's Statement, Directors' Report, financial highlights and key performance indicators, the shareholders are informed about the operations of the Group. On a quarterly basis, the Company also releases to Bursa Malaysia Securities Berhad, details of the Group's performance for the information of the public and shareholders.

Shareholders

Shareholders are kept informed of all material business matters affecting the Group through disclosures to Bursa Malaysia Securities Berhad and press releases where appropriate. The Annual General Meeting, is also a means of communication with shareholders. At the Meeting, members of the Board as well as the Auditors of the Company are present to answer questions raised by the shareholders.

Any queries or concerns with regards to the Rubberex Group may be addressed to the following person(s):-

Chan Chee Kheong, Company Secretary
Chang Pooi Yee, Company Secretary
Tel no.: 605 548 0888
Fax no.: 605 545 9222

Internal Control

The Internal Audit department has been established internally to assist the Audit Committee in discharging its duties and responsibilities. The role of the Internal Audit department is to provide the Committee with independent and objective reports on the state of internal controls of the various operating functions within the Group and the extent of compliance of the functions with established policies and procedures.

Throughout the financial year, audit assignments were carried out and completed by the Internal Audit department. Audit reports were issued with regard to system and control weaknesses noted in the course of the audit and management's responses on the audit findings. The Internal Audit department also followed up on implementation and disposition of all findings and recommendations. The total costs incurred for the internal audit function during the year amounted to RM112,000.

Audit Committee

The Company has an Audit Committee whose composition meets the Listing Requirements i.e. two independent directors forming the majority and a member that is a qualified accountant. The Audit Committee meets periodically to carry out its functions and duties pursuant to its terms of reference. Other Board members also attend meetings upon the invitation of the Audit Committee.

Relationship with External Auditors

The Audit Committee meets with the external auditors at least twice during the year and maintains an appropriate relationship that is both formal and transparent.

OTHER INFORMATION

Utilisation of Proceeds

The Company did not carry out any corporate exercise to raise funds during the financial year.

Share Buy-backs

A total of 1,895,800 shares were bought back and retained as treasury shares during the financial year as set out below:

Month	No. of shares purchased and retained as Treasury Shares	Highest price paid RM	Lowest price paid RM	Average price paid# RM	Total consideration paid RM
April	240,900	1.25	1.22	1.25	301,703
May	471,300	1.51	1.30	1.42	670,596
June	1,073,300	1.75	1.49	1.63	1,747,894
November	74,300	1.96	1.95	1.96	145,997
	1,859,800	1.96	1.22	1.55	2,866,190

Treasury shares resold on Bursa Malaysia Securities Berhad during the financial year are also set out below:

Month	No. of Treasury Shares	Highest price sold RM	Lowest price sold RM	Average price sold# RM	Total consideration received RM
January	1,786,000	1.37	1.22	1.24	2,222,851
February	1,015,900	1.30	1.30	1.30	1,315,670
December	1,859,800	2.00	1.99	2.00	3,710,589
	4,661,700	2.00	1.22	1.56	7,249,110

inclusive of brokerage, commission, clearing house fee and stamp duty

Options, Warrants and Convertible Securities

During the financial year, the Company increased its issued and fully paid-up ordinary share capital from RM83,109,524 to RM98,623,917 by way of:

(a) an issue of 11,532,960 new ordinary shares of RM1.00 each arising from the conversion of 19,606,048 nominal value of 4%, 5-year irredeemable convertible unsecured loan stocks ("ICULS") at the conversion price of RM1.70 per ordinary share;

(b) an issue of 3,981,334 new ordinary shares of RM1.00 each at the exercise price of RM1.49 per ordinary share for cash pursuant to the Executive Share Option Scheme ("ESOS") of the Company; and

(c) an issue of 99 new ordinary shares of RM1.00 each at an exercise price of RM1.70 per ordinary share arising from the exercise of Warrants

There were no other issues of options, warrants or convertible securities during the financial year.

American Depository Receipt (ADR)/Global Depository Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR Programmes during the financial year.

Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by any local or foreign regulatory bodies during the financial year.

Non-audit fees

The non-audit fees paid to the external auditors for the financial year amounted to RM2,000.

Variation in results

There was no material variance between the audited results of the Group for the financial year ended 31 December 2009 and unaudited results previously released on 22 January 2010.

Profit Estimate, Forecast of Projection and/or Profit Guarantee

The Company did not release any profit estimate, forecast, projection or guarantee for the financial year just ended.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the directors and/or substantial shareholders or contracts relating to loans entered into by the Company and its subsidiaries during the financial year ended 31 December 2009.

Revaluation Policy on landed properties

There was no revaluation of landed properties during the financial year ended 31 December 2009.

Corporate Social Responsibility (CSR)

The Company and Group are committed to the ISO 14001 Environmental Management Systems and Standards accreditation where various efforts are implemented and/or intensified to minimise any adverse effects of the manufacturing processes to the environment. In addition, the Company also made some donations to various charities and welfare organisations during the financial year ended 31 December 2009.

Statement on Internal Control

The Board of Directors is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Group's system of internal control includes controls of an operational and compliance nature, as well as internal financial controls. The system is designed to identify and manage risks in the pursuit of the Group's business objectives as well as to safeguard shareholders' investments and the Group's assets.

The salient features of the Group's internal control system are:-

1. clearly defined delegation of responsibilities to the Audit Committee, management and operating units;

2. clearly defined authority limits for management;

3. written communication of company values, expected code of conduct and discipline to which employees have acknowledged at the time of employment;

4. a reporting system where information on financial performance and key business indicators are regularly provided to management;

5. a budgeting process where budgets are prepared by operating units for the coming year and approved at the operating units level;

6. monitoring of results against budget, with major variances being reviewed and management action taken, where necessary;

7. an internal audit function to assess the internal controls and integrity of financial information provided and to monitor compliance with procedures;

8. visits to operating units by Board members and senior management.

There is an on-going process for identifying, assessing and managing the risks faced by the Group and this process has operated during the year under review and up to date of approval of the annual report. The Board, with the assistance of the internal audit function, continuously reviews the adequacy and integrity of the Group's system of internal control and management information systems, and compliance with laws, regulations, rules, directives and guidelines. Internal audit reports are tabled in Audit Committee meetings which are held every quarter. Control deficiencies and issues highlighted are addressed or rectified by management. Internal control procedures and security measures are introduced where necessary. There were no control deficiencies noted during the year which had a material impact on the Group's financial performance of operations.

The Board is of the view that the monitoring arrangements in place provide reasonable assurance that the structure of controls and operations is adequate and appropriate to the Company and the Group.

Statement of Shareholdings
as at 25 March 2010

Authorised Share Capital	:	RM200,000,000
Issued and Paid up Capital	:	RM100,581,628
Treasury Shares	:	Nil
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights		
On show of hands	:	1 vote
On a poll	:	1 vote for each share held

DISTRIBUTION OF SHAREHOLDERS AS AT 25 MARCH 2010

Size of Shareholdings as at 25 March 2010	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	119	2.05	6,638	0.00
100 – 1,000	349	6.01	196,404	0.10
1,001 – 10,000	3,858	66.45	19,231,888	9.56
10,001 – 100,000	1,321	22.75	39,167,264	19.47
100,001 to less than 5% of issued shares	157	2.70	91,846,644	45.66
5% and above of issued shares	2	0.04	50,714,418	25.21
Total	5,806	100.00	201,163,256	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR ORDINARY SHARES

No.	Name	Shares	%
1	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Med-Bumikar Mara Sdn Bhd (PIVB)	26,666,668	13.26
2	Duvest Holdings Sdn Bhd	24,047,750	11.95
3	Med-Bumikar Mara Sdn Bhd	8,667,332	4.31
4	Teng Cheng Bon @ Teng Kim Tee	6,889,184	3.42
5	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Aun Huat & Brothers Sdn Bhd (E-IMO/BCM)	6,000,000	2.98
6	Affin Nominees (Asing) Sdn Bhd – Exempt AN for Phillip Securities (Hong Kong) Ltd (Clients' Account)	5,042,000	2.51
7	Aun Huat & Brothers Sdn Bhd	4,996,668	2.48
8	Aun Huat & Brothers Sdn Bhd	3,809,522	1.89
9	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Ping Kok Koh (041005)	3,429,704	1.70
10	Kon Choi Ying	2,934,638	1.46
11	Opulent Base Sdn Bhd	2,670,000	1.33
12	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Sharifuddin bin Shoib (041004)	2,164,542	1.08
13	World First Harvest Sdn Bhd	2,148,600	1.07
14	Voon Chong Kian	2,000,000	0.99
15	ECML Nominees (Tempatan) Sdn Bhd – Ping Kok Koh (PCS)	1,813,334	0.90
16	Yap Siew Chin	1,397,000	0.69
17	Tok Peck Hong	1,370,334	0.68

Statement of Shareholdings
as at 25 March 2010 (cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR ORDINARY SHARES (cont'd)

No.	Name	Shares	%
18	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Liew Yam Fee	1,320,000	0.66
19	Sabri Bin Abd Hamid	1,000,000	0.50
20	Teng Cheng Bon @ Teng Kim Tee	988,826	0.49
21	Yeoh Pei Hoon	984,000	0.49
22	Wong Kit Peng	924,600	0.46
23	Goh Mooi Huan	916,634	0.46
24	Ong Suan Kim	819,564	0.41
25	Rampai Dedikasi Sdn Bhd	800,000	0.40
26	Woi Yoon Kim	675,134	0.34
27	Mohamed bin Hamzah	620,492	0.31
28	Chin Ah Fook	600,000	0.30
29	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB Bank for Chin Jow Foong (MH0580)	576,000	0.29
30	Shum Yoke Chee	501,406	0.25
	Total	116,773,932	58.05

SUBSTANTIAL SHAREHOLDERS AS AT 25 MARCH 2010
ORDINARY SHARES OF RM0.50 EACH

	No. of shares held			
	Direct	%	Indirect	%
Med-Bumikar Mara Sdn Bhd	35,334,000	17.56	-	-
Duvest Holdings Sdn Bhd	24,047,750	11.95	-	-
Teng Cheng Bon @ Teng Kim Tee	7,878,010	3.92	24,047,750	11.95 *
Aun Huat & Brothers Sdn Bhd	14,848,992	7.38	-	-
Ping Kok Koh	-	-	33,097,560	16.45 \ \
Sharifuddin bin Shoib	54,114	0.03	26,212,292	13.03 **
Poh Chee Meng @ Fook Fatt	52,000	-	15,124,192	7.52 ^
P & F Holdings Sdn Bhd	370,666	0.18	14,848,992	7.38 ++
Poh Cheong Meng & Sons Sdn Bhd	370,666	0.18	14,848,992	7.38 ++
Poh Yin Hoe & Sons Holding Sdn Bhd	-	-	14,848,992	7.38 ++
Poh Chee Meng & Sons Holdings Sdn Bhd	275,200	0.14	14,848,992	7.38 ++

* Deemed interest through Duvest Holdings Sdn Bhd

\ \ Deemed interest through Duvest Holdings Sdn Bhd, ECML Nominees (Tempatan) Sdn Bhd, Mayban Nominees (Tempatan) Sdn Bhd, RHB Capital Nominees (Tempatan) Sdn Bhd and Kon Choi Ying

** Deemed interest through Duvest Holdings Sdn Bhd and RHB Capital Nominees (Tempatan) Sdn Bhd

^ Held directly by Aun Huat & Brothers Sdn Bhd and Poh Chee Meng & Sons Holdings Sdn Bhd

++ Held directly by Aun Huat & Brothers Sdn Bhd

Statement of Shareholdings
as at 25 March 2010 (cont'd)

DIRECTORS' INTERESTS AS AT 25 MARCH 2010
ORDINARY SHARES OF RM0.50 EACH

	No. of shares held			
	Direct	**%**	**Indirect**	**%**
Dato' Mohamed bin Hamzah	620,492	0.31	-	-
Ping Kok Koh	-	-	33,097,560	16.45
Yap Jek Nan	-	-	-	-
Sharifuddin bin Shoib	54,114	0.03	26,212,292	13.03
Poh Choo Lim	100,000	0.05	120,000	0.06
Dato' Abdul Rahim bin Abdul Halim	-	-	-	-
Voon Chong Kian (Alternate Director)	2,000,314	0.99	400,000	0.20
Mustapha bin Mohamed	-	-	-	-

Total Irredeemable Convertible Unsecured Loan Stocks (ICULS) 2007/2012	:	RM23,772,716
Coupon payment	:	4% p.a.
Class of Securities	:	Loan Stocks 2007/2012

DISTRIBUTION OF ICULS HOLDERS AS AT 25 MARCH 2010

Size of Shareholdings as at 25 March 2010	No. of Holders	% of Holders	No. of ICULS	% of ICULS
Less than 100	39	4.42	1,749	0.01
100 – 1,000	112	12.70	92,219	0.39
1,001 – 10,000	611	69.27	2,211,271	9.30
10,001 – 100,000	103	11.68	2,777,919	11.69
100,001 to less than 5% of issued shares	12	1.36	2,166,030	9.11
5% and above of issued shares	5	0.57	16,523,528	69.51
Total	882	100.00	23,772,716	100.00

Statement of Shareholdings
as at 25 March 2010 (cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR ICULS

No.	Name	ICULS	%
1	Med-Bumikar Mara Sdn Bhd	6,643,688	27.95
2	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Med-Bumikar Mara Sdn Bhd (PIVB)	4,444,444	18.70
3	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Aun Huat & Brothers Sdn Bhd (E-IMO/BCM)	2,000,000	8.41
4	Aun Huat & Brothers Sdn Bhd	1,769,840	7.44
5	Aun Huat & Brothers Sdn Bhd	1,665,556	7.01
6	Rampai Dedikasi Sdn Bhd	250,000	1.05
7	Koh Boon Chor	249,002	1.05
8	Chong Gek Kin @ Choong Yuk Kim	229,190	0.96
9	Ho Kim Chai	228,000	0.96
10	Lim Jit Hai	194,820	0.82
11	Mohamed bin Hamzah	193,497	0.81
12	Shum Yoke Chee	189,000	0.80
13	Mayban Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Lee Kim Tak	167,966	0.71
14	Poh Cheong Meng & Sons Sdn Bhd	123,555	0.52
15	Yeo King Kang	120,000	0.50
16	Yayasan Teratai	114,000	0.48
17	Onn Ping Lan	107,000	0.45
18	Eu Mui @ Ee Soo Mei	96,200	0.40
19	Poh Chee Meng & Sons Holdings Sdn Bhd	91,733	0.39
20	Chan Foong Ling	90,133	0.38
21	Meng Hin Holdings Sdn Bhd	90,000	0.38
22	Ee Boon Kin	80,000	0.34
23	Ong Sek Chuan	73,500	0.31
24	Chu Lai Eang	70,000	0.29
25	Thain Swee Eng	67,200	0.28
26	Denver Corporation Sdn Bhd	67,000	0.28
27	Goh Siew Cheng	63,378	0.27
28	Tan Paik Sim @ Tan Phaik Im	51,800	0.22
29	Chan Heng Koon	45,000	0.19
30	Kema Development Sdn Bhd	41,066	0.17
	Total	19,616,568	82.52

Statement of Shareholdings
as at 25 March 2010 (cont'd)

SUBSTANTIAL ICULS HOLDERS AS AT 25 MARCH 2010

	No. of ICULS held			
	Direct	%	Indirect	%
Med-Bumikar Mara Sdn Bhd	11,088,132	46.64	-	-
Aun Huat & Brothers Sdn Bhd	5,449,663	22.92	-	-
Poh Chee Meng @ Fook Fatt	17,333	0.07	5,541,396	23.31 ^
P & F Holdings Sdn Bhd	-	-	5,449,663	22.92 ++
Poh Cheong Meng & Sons Sdn Bhd	123,555	0.52	5,449,663	22.92 ++
Poh Yin Hoe & Sons Holding Sdn Bhd	-	-	5,449,663	22.92 ++
Poh Chee Meng & Sons Holdings Sdn Bhd	91,733	0.39	5,449,663	22.92 ++

^ Held directly by Aun Huat & Brothers Sdn Bhd and Poh Chee Meng & Sons Holdings Sdn Bhd
++ Held directly by Aun Huat & Brothers Sdn Bhd

DIRECTORS' INTERESTS FOR ICULS AS AT 25 MARCH 2010

	No. of ICULS held			
	Direct	%	Indirect	%
Dato' Mohamed bin Hamzah	-	-	-	-
Ping Kok Koh	-	-	9,600	0.04
Yap Jek Nan	-	-	-	-
Sharifuddin bin Shoib	-	-	-	-
Poh Choo Lim	-	-	-	-
Dato' Abdul Rahim bin Abdul Halim	-	-	-	-
Voon Chong Kian (Alternate Director)	84	-	-	-
Mustapha bin Mohamed	-	-	-	-

Statement of Shareholdings
as at 25 March 2010 (cont'd)

Total Warrants issued : 52,979,420
Class of Securities : Warrants

DISTRIBUTION OF WARRANTS HOLDERS AS AT 25 MARCH 2010

Size of Shareholdings as at 25 March 2010	No. of Holders	% of Holders	No. of Warrants	% of Warrants
Less than 100	46	2.22	2,460	0.00
100 – 1,000	148	7.15	97,628	0.18
1,001 – 10,000	1,230	59.39	6,659,940	12.57
10,001 – 100,000	605	29.21	17,744,100	33.49
100,001 to less than 5% of issued shares	39	1.88	12,270,094	23.16
5% and above of issued shares	3	0.14	16,205,198	30.59
Total	2,071	100.00	52,979,420	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR WARRANTS

No.	Name	Warrants	%
1	Med-Bumikar Mara Sdn Bhd	6,643,688	12.54
2	Duvest Holdings Sdn Bhd	5,117,066	9.66
3	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Med-Bumikar Mara Sdn Bhd (PIVB)	4,444,444	8.39
4	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Aun Huat & Brothers Sdn Bhd (E-IMO/BCM)	1,876,000	3.54
5	Aun Huat & Brothers Sdn Bhd	1,769,840	3.34
6	Aun Huat & Brothers Sdn Bhd	1,665,556	3.14
7	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB Bank for Chen Yat Lee (MM1133)	800,000	1.51
8	RHB Capital Nominees (Tempatan) Sdn Bhd – Hiew Syn Choi (SDK)	409,000	0.77
9	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Ping Kok Koh (041005)	385,000	0.73
10	M.I.T Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Success Secrets Sdn Bhd (MG0179-192)	300,000	0.57
11	Sabri bin Abd Hamid	290,000	0.55
12	Chia Sia Tick @ Chua Sia Tick	270,000	0.51
13	Lim Pong Seng	210,000	0.40
14	Chiong Swee Heng	206,000	0.39
15	Lim Hock Sing	200,000	0.38
16	Othman bin Merican	200,000	0.38
17	Tan Sok Hoon	200,000	0.38
18	Wong Sook Wai	200,000	0.38
19	Chan Chow Yuin	190,000	0.36
20	Khor Kien Eow	190,000	0.36

Statement of Shareholdings
as at 25 March 2010 (cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR WARRANTS (cont'd)

No.	Name	Warrants	%
21	EB Nominees (Tempatan) Sendirian Berhad – Pledged Securities Account for Chen Yat Lee	185,500	0.35
22	SJ Sec Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Liew Pak Chin (SMT)	171,400	0.32
23	Low Koon Keng	166,000	0.31
24	Kueh Wan Ling	165,000	0.31
25	Wong Wuey Cheng	165,000	0.31
26	Chan Chee Yu	160,000	0.30
27	Tang Chung Dang @ Tang Chung Tan	138,000	0.26
28	Chan Ah Luan	135,244	0.26
29	Ng Kim Pah	127,800	0.24
30	Poh Cheong Meng & Sons Sdn Bhd	123,554	0.23
	Total	27,104,092	51.16

SUBSTANTIAL WARRANTS HOLDERS AS AT 25 MARCH 2010

	No. of Warrants held			
	Direct	%	Indirect	%
Med-Bumikar Mara Sdn Bhd	11,088,132	20.93	-	-
Duvest Holdings Sdn Bhd	5,117,066	9.66	-	-
Teng Cheng Bon @ Teng Kim Tee	21,000	0.04	5,117,066	9.66 *
Aun Huat & Brothers Sdn Bhd	5,325,662	10.05	-	-
Ping Kok Koh	-	-	5,502,066	10.39 \ \
Sharifuddin bin Shoib	-	-	5,117,066	9.66 *
Poh Chee Meng @ Fook Fatt	17,332	0.03	5,417,394	10.23 ^
P & F Holdings Sdn Bhd	30,000	0.06	5,325,662	10.05 ++
Poh Cheong Meng & Sons Sdn Bhd	123,554	0.23	5,325,662	10.05 ++
Poh Yin Hoe & Sons Holding Sdn Bhd	-	-	5,325,662	10.05 ++
Poh Chee Meng & Sons Holdings Sdn Bhd	91,732	0.17	5,325,662	10.05 ++

* Deemed interest through Duvest Holdings Sdn Bhd
\ \ Deemed interest through Duvest Holdings Sdn Bhd and RHB Capital Nominees (Tempatan) Sdn Bhd
^ Held directly by Aun Huat & Brothers Sdn Bhd and Poh Chee Meng & Sons Holdings Sdn Bhd
++ Held directly by Aun Huat & Brothers Sdn Bhd

Statement of Shareholdings
as at 25 March 2010 (cont'd)

DIRECTORS' INTERESTS FOR WARRANTS AS AT 25 MARCH 2010

	No. of Warrants held			
	Direct	**%**	**Indirect**	**%**
Dato' Mohamed bin Hamzah	-	-	-	-
Ping Kok Koh	-	-	5,502,066	10.39
Yap Jek Nan	-	-	-	-
Sharifuddin bin Shoib	-	-	5,117,066	9.66
Poh Choo Lim	-	-	-	-
Dato' Abdul Rahim bin Abdul Halim	-	-	-	-
Voon Chong Kian (Alternate Director)	132	0.00	-	-
Mustapha bin Mohamed	-	-	-	-

FINANCIAL STATEMENTS CONTENTS

Directors' Report

The directors of RUBBEREX CORPORATION (M) BERHAD 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 2009.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 16 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Profit before tax	23,295,108	3,770,442
Income tax expense	(727,332)	(82,349)
Profit for the year	22,567,776	3,688,093
Attributable to:		
Equity holders of the Company	17,308,011	3,688,093
Minority interests	5,259,765	-
	22,567,776	3,688,093

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

An interim dividend of 7%, less 25% tax, amounting to RM4,216,150 was paid on 15 January 2009 in respect of the current financial year.

No final dividend is proposed in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and fully paid-up ordinary share capital from RM83,109,524 to RM98,623,917 by way of:

(a) an issue of 11,532,960 new ordinary shares of RM1.00 each arising from the conversion of RM19,606,048 nominal value of 4%, 5-year irredeemable convertible unsecured loan stocks ("ICULS") at the conversion price of RM1.70 per ordinary share;

(b) an issue of 3,981,334 new ordinary shares of RM1.00 each at an exercise price of RM1.49 per ordinary share for cash pursuant to the Executive Share Option Scheme of the Company; and

(c) an issue of 99 new ordinary shares of RM1.00 each at an exercise price of RM1.70 per ordinary share arising from the exercise of Warrants.

The resulting premium arising from the shares issued in (a), (b) and (c) of RM6,109,673, RM1,950,854 and RM69 respectively have been credited to the share premium account.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

TREASURY SHARES

During the year, the Company repurchased 1,859,800 ordinary shares from the open market of Bursa Malaysia Securities Berhad. The total amount paid for the acquisition of the shares was RM2,866,190 and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM1.55 per share. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

During the year, the Company has also reissued all its 4,661,700 units of the treasury shares by resale in the open market of Bursa Malaysia Securities Berhad for RM7,249,110 to increase the working capital of the Company. Average resale price of the treasury shares was RM1.56 per share. The resulting premium arising from the treasury shares resold of RM1,316,464 has been credited to the share premium account.

SHARE OPTIONS

Under the Executive Share Option Scheme ("ESOS") of the Company which became effective on 08 July 2004, options to subscribe for unissued new ordinary shares of RM1.00 each in the Company were granted to eligible executive employees including executive directors of the Company and its subsidiary companies. The ESOS has expired on 07 July 2009.

The share options exercised and lapsed during the financial year are as follows:

		Number of ordinary shares of RM1.00 each under options			
Exercisable from	Exercise price per ordinary share RM	Balance as at 01.01.2009 RM	Exercised RM	Expired RM	Balance as at 31.12.2009 RM
08.07.2004	1.49	4,001,331	(3,981,334)	(19,997)	-

OTHER FINANCIAL INFORMATION

Before the income statements and the balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there are no bad debts to be written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

(a) which would necessitate the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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

(d) not otherwise dealt with in this report or financial statements which 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:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability 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, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made other than those disclosed in Note 34 to the Financial Statements.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Dato' Mohamed bin Hamzah
Ping Kok Koh
Sharifuddin bin Shoib
Yap Jek Nan
Poh Choo Lim
Voon Chong Kian (alternate to Ping Kok Koh)
Dato' Abdul Rahim bin Abdul Halim
Mustapha bin Mohamed

In accordance with Article 91 of the Company's Articles of Association, Dato' Mohamed bin Hamzah and Yap Jek Nan retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM1.00 each			
	Balance as at 01.01.2009	Bought	Sold	Balance as at 31.12.2009
Shares in the Company				
Registered in the name of directors				
Dato' Mohamed bin Hamzah	310,246	-	-	310,246
Sharifuddin bin Shoib	27,057	-	-	27,057
Poh Choo Lim	-	50,000	-	50,000
Voon Chong Kian (alternate to Ping Kok Koh)	1,700,157	1,000,000	(1,700,000)	1,000,157
Indirect interest				
Ping Kok Koh	12,512,663	4,504,941	(910,000)	16,107,604
Sharifuddin bin Shoib	10,257,872	3,598,274	(750,000)	13,106,146
Poh Choo Lim	-	60,000	-	60,000
Voon Chong Kian (alternate to Ping Kok Koh)	200,000	334,000	(334,000)	200,000

In addition to the above, the following director is deemed to have interest in the shares of the Company to the extent of options granted to him pursuant to the ESOS of the Company:

	Number of options over ordinary shares of RM1.00 each			
	Balance as at 01.01.2009	Exercised	Lapsed	Balance as at 31.12.2009
Ping Kok Koh	906,667	(906,667)	-	-

DIRECTORS' INTERESTS (cont'd)

By virtue of their interests in the shares of the Company, Ping Kok Koh and Sharifuddin bin Shoib are also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has interest.

None of the other directors in office at the end of the financial year, held shares or had beneficial interest in the shares of the Company or its subsidiary companies during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain directors of the Company are also directors and/or shareholders as disclosed in Note 20 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for options granted to a director pursuant to the ESOS of the Company as disclosed above and in Note 23 to the Financial Statements.

AUDITORS

The auditors, Messrs. Deloitte KassimChan have indicated their willingness to continue in office.

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

PING KOK KOH

DATO' MOHAMED BIN HAMZAH

Ipoh,
23 March 2010

Independent Auditors' Report

To The Members of Rubberex Corporation (M) Berhad

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Rubberex Corporation (M) Berhad, which comprise the balance sheets of the Group and of the Company as at 31 December 2009 and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 95.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Reporting Standards in Malaysia and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected, depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's and the Company's preparation and fair presentation of the financial statements 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 Group's and of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Financial Reporting Standards in Malaysia and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report

To The Members of Rubberex Corporation (M) Berhad
(Incorporated in Malaysia) (cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

(a) in our opinion, the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Companies Act, 1965;

(b) we have considered the financial statements and auditors' report of the subsidiary companies, of which we have not acted as auditors, as mentioned in Note 16 to the Financial Statements, being financial statements that have been included in the financial statements of the Group;

(c) we are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and

(d) the auditors' report on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Companies Act, 1965.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

DATO' WONG GUANG SENG
Partner - 787/03/11(J/PH)
Chartered Accountant

23 March 2010

Income Statements
for the financial year ended 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Revenue	5	**317,627,647**	274,512,351	**5,316,000**	12,275,000
Investment revenue	7	**60,567**	214,224	**1,332,821**	1,516,730
Other gains and losses	8	**(1,768,964)**	(1,125,610)	**(1,642,664)**	5,757,456
Other operating income	10	**386,105**	1,160,097	**-**	-
Changes in inventories of finished goods, trading goods and work-in-progress		**(2,513,722)**	5,919,696	**-**	-
Purchase of finished goods and trading goods		**(14,993,710)**	(14,870,628)	**-**	-
Raw materials and consumables used		**(172,246,124)**	(163,964,391)	**-**	-
Directors' remuneration	9	**(1,726,211)**	(1,202,765)	**(127,500)**	(102,500)
Employee benefits expenses	10	**(41,702,356)**	(34,223,609)	**-**	-
Depreciation expense	14	**(15,064,165)**	(13,337,095)	**-**	-
Amortisation of prepaid lease payments	15	**(247,410)**	(227,773)	**-**	-
Finance costs	11	**(8,026,533)**	(7,041,564)	**(508,437)**	(237,792)
Other expenses	10	**(36,490,016)**	(33,930,010)	**(599,778)**	(753,136)
Profit before tax		**23,295,108**	11,882,923	**3,770,442**	18,455,758
Income tax expense	12	**(727,332)**	(2,228,529)	**(82,349)**	(1,442,359)
Profit for the year		**22,567,776**	9,654,394	**3,688,093**	17,013,399
Attributable to:					
Equity holders of the Company		**17,308,011**	8,632,733	**3,688,093**	17,013,399
Minority interests		**5,259,765**	1,021,661	**-**	-
		22,567,776	9,654,394	**3,688,093**	17,013,399
Earnings per share					
Basic (sen per share)	13	**20.06**	10.92		
Diluted (sen per share)	13	**15.95**	8.21		

The accompanying Notes form an integral part of the Financial Statements.

Balance Sheets
as at 31 December 2009

	Note(s)	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	**156,388,382**	140,154,423	**-**	-
Prepaid lease payments	15	**14,425,930**	14,531,945	**-**	-
Investments in subsidiary companies	16	**-**	-	**64,971,636**	40,971,636
Goodwill on consolidation	17	**2,793,422**	2,793,422	**-**	-
Deferred tax asset	12	**35,867**	93,686	**35,867**	93,686
Total non-current assets		**173,643,601**	157,573,476	**65,007,503**	41,065,322
Current assets					
Inventories	18	**67,972,894**	72,825,001	**-**	-
Trade and other receivables	19&20	**57,236,134**	41,792,678	**3,710,757**	-
Amount owing by subsidiary companies	20	**-**	-	**173,553,259**	180,908,603
Current tax assets	12	**2,064,513**	716,112	**358,848**	337,848
Other assets	21	**645,324**	3,622,701	**1,000**	1,000
Fixed deposits, cash and bank balances	22	**18,162,151**	25,776,333	**1,785,283**	2,067,183
Total current assets		**146,081,016**	144,732,825	**179,409,147**	183,314,634
Total assets		**319,724,617**	302,306,301	**244,416,650**	224,379,956

The accompanying Notes form an integral part of the Financial Statements.

Balance Sheets
as at 31 December 2009 (cont'd)

		Group		Company	
		2009	**2008**	**2009**	**2008**
	Note(s)	**RM**	**RM**	**RM**	**RM**
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	23	**98,623,917**	83,109,524	**98,623,917**	83,109,524
Treasury shares	23	**-**	(3,066,456)	**-**	(3,066,456)
Reserves	24	**36,968,948**	28,985,477	**34,937,501**	26,088,498
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	26	**22,218,032**	37,901,996	**22,218,032**	37,901,996
Equity attributable to equity holders of the Company		**157,810,897**	146,930,541	**155,779,450**	144,033,562
Minority interests		**6,146,372**	12,720,006	**-**	-
Total equity		**163,957,269**	159,650,547	**155,779,450**	144,033,562
Non-current liabilities					
Deferred tax liabilities	12	**2,973,636**	3,489,729	**-**	-
Borrowings	28	**52,552,853**	53,378,120	**44,621,303**	47,382,095
Other payables	29	**9,600,000**	-	**9,600,000**	-
Total non-current liabilities		**65,126,489**	56,867,849	**54,221,303**	47,382,095
Current liabilities					
Trade and other payables	20&29	**30,083,308**	24,988,771	**2,442,524**	43,746
Borrowings	28	**50,654,311**	49,885,729	**30,925,793**	31,497,082
Current tax liabilities	12	**366,500**	687,877	**-**	-
Other liabilities - accrued expenses		**9,536,740**	10,225,528	**1,047,580**	1,423,471
Total current liabilities		**90,640,859**	85,787,905	**34,415,897**	32,964,299
Total liabilities		**155,767,348**	142,655,754	**88,637,200**	80,346,394
Total equity and liabilities		**319,724,617**	302,306,301	**244,416,650**	224,379,956

The accompanying Notes form an integral part of the Financial Statements.

Statements of Changes in Equity
for the financial year ended 31 December 2009

Group	Note(s)	Issued Capital RM	Treasury Shares RM	ICULS RM	Share Premium RM	Translation Reserve RM	Capital Reserve RM	Retained Earnings RM	Subtotal RM	Minority Interests RM	Total Equity RM
		← Attributable to Equity Holders of the Company			Non-distributable Reserves			Distributable Reserve	→		
Balance as at 01 January 2008		79,483,702	(63,447)	43,256,775	10,787,886	(4,331,661)	-	5,182,557	134,315,812	7,639,425	141,955,237
Net income recognised directly in equity:											
Exchange differences arising on translation of foreign subsidiaries		-	-	-	-	10,147,419	-	-	10,147,419	2,909,570	13,056,989
Total recognised income and expense:											
Profit for the year		-	-	-	-	-	-	8,632,733	8,632,733	1,021,661	9,654,394
Dividends paid by subsidiary company to minority shareholders		-	-	-	-	-	-	-	-	(321,900)	(321,900)
Dividends	25	-	-	-	-	-	-	(3,971,535)	(3,971,535)	-	(3,971,535)
Issue of shares to minority shareholders		-	-	-	-	-	-	-	-	1,471,250	1,471,250
Purchase of treasury shares	23(b)	-	(3,003,009)	-	-	-	-	-	(3,003,009)	-	(3,003,009)
Conversion of ICULS	23(a)&24	3,625,822	-	(5,354,779)	2,538,078	-	-	-	809,121	-	809,121
Balance as at 31 December 2008		83,109,524	(3,066,456)	37,901,996	13,325,964	5,815,758	-	9,843,755	146,930,541	12,720,006	159,650,547

Group	Note(s)	Issued Capital RM	Treasury Shares RM	ICULS RM	Share Premium RM	Translation Reserve RM	Capital Reserve RM	Retained Earnings RM	Subtotal RM	Minority Interests RM	Total Equity RM
		← Attributable to Equity Holders of the Company							→		
					Non-distributable Reserves			Distributable Reserve			
Net expense recognised directly In equity:											
Exchange differences arising on translation of foreign subsidiaries		-	-	-	-	(807,149)	-	-	(807,149)	(121,816)	(928,965)
Total recognised income and expense:											
Profit for the year		-	-	-	-	-	-	17,308,011	17,308,011	5,259,765	22,567,776
Dividends paid by subsidiary company to minority shareholders		-	-	-	-	-	-	-	-	(1,789,884)	(1,789,884)
Dividends	25	-	-	-	-	-	-	(4,216,150)	(4,216,150)	-	(4,216,150)
Issue of shares to minority shareholders		-	-	-	-	-	-	-	-	400,000	400,000
Purchase of shares from minority shareholders		-	-	-	-	-	(13,678,301)	-	(13,678,301)	(10,321,699)	(24,000,000)
Purchase of treasury shares	23(b)	-	(2,866,190)	-	-	-	-	-	(2,866,190)	-	(2,866,190)
Resale of treasury shares	23(b)&24	-	5,932,646	-	1,316,464	-	-	-	7,249,110	-	7,249,110
Conversion of ICULS	23(a)&24	11,532,960	-	(15,683,964)	6,109,673	-	-	-	1,958,669	-	1,958,669
Exercise of options under ESOS	23(a)&24	3,981,334	-	-	1,950,854	-	-	-	5,932,188	-	5,932,188
Exercise of Warrants	23(a)&24	99	-	-	69	-	-	-	168	-	168
Balance as at 31 December 2009		98,623,917	-	22,218,032	22,703,024	5,008,609	(13,678,301)	22,935,616	157,810,897	6,146,372	163,957,269

The accompanying Notes form an integral part of the Financial Statements.

Statements of Changes in Equity
for the financial year ended 31 December 2009 (cont'd)

Company	Note(s)	Issued Capital RM	Treasury Shares RM	ICULS RM	Non-distributable Reserve Share Premium RM	(Accumulated Loss)/ Retained Earnings RM	Total Equity RM
		← Attributable to Equity Holders of the Company →					
Balance as at 01 January 2008		79,483,702	(63,447)	43,256,775	10,787,886	(279,330)	133,185,586
Total recognised income and expense:							
Profit for the year		-	-	-	-	17,013,399	17,013,399
Dividends	25	-	-	-	-	(3,971,535)	(3,971,535)
Purchase of treasury shares	23(b)	-	(3,003,009)	-	-	-	(3,003,009)
Conversion of ICULS	23(a)&24	3,625,822	-	(5,354,779)	2,538,078	-	809,121
Balance as at 31 December 2008		83,109,524	(3,066,456)	37,901,996	13,325,964	12,762,534	144,033,562
Total recognised income and expense:							
Profit for the year		-	-	-	-	3,688,093	3,688,093
Dividends	25	-	-	-	-	(4,216,150)	(4,216,150)
Purchase of treasury shares	23(b)	-	(2,866,190)	-	-	-	(2,866,190)
Resale of treasury shares	23(b)&24	-	5,932,646	-	1,316,464	-	7,249,110
Conversion of ICULS	23(a)&24	11,532,960	-	(15,683,964)	6,109,673	-	1,958,669
Exercise of options under ESOS	23(a)&24	3,981,334	-	-	1,950,854	-	5,932,188
Exercise of Warrants	23(a)&24	99	-	-	69	-	168
Balance as at 31 December 2009		98,623,917	-	22,218,032	22,703,024	12,234,477	155,779,450

The accompanying Notes form an integral part of the Financial Statements.

Cash Flow Statements

for the financial year ended 31 December 2009

Group	Note	2009 RM	2008 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		**22,567,776**	9,654,394
Adjustments for:			
Depreciation of property, plant and equipment		**15,064,165**	13,337,095
Finance costs		**8,026,533**	7,041,564
Income tax expense recognised in profit or loss		**727,332**	2,228,529
Amortisation of prepaid lease payments		**247,410**	227,773
Allowance for doubtful debts		**158,472**	219,615
Property, plant and equipment written off		**49,849**	593,399
Tax penalty		**35,028**	833
Unrealised loss/(gain) on foreign exchange		**19,429**	(664,601)
Inventories written off		**2,625**	1,240,885
Allowance for doubtful debts no longer required		**(173,875)**	(178,428)
Investment revenue recognised in profit or loss		**(60,567)**	(214,224)
Bad debts recovered		**(22,800)**	-
Gain on disposal of property, plant and equipment		**(13,032)**	(104,704)
		46,628,345	33,382,130
Movements in working capital:			
(Increase)/Decrease in:			
MTN Debt Service Reserve Account		**(55,035)**	(435,810)
Inventories		**4,368,106**	(10,946,945)
Trade and other receivables		**(12,138,038)**	(9,458,280)
Other assets		**2,939,149**	2,131,962
Increase/(Decrease) in:			
Trade and other payables		**3,302,989**	2,677,804
Other liabilities		**(101,516)**	6,914,647
Cash Generated From Operations		**44,944,000**	24,265,508
Income tax paid		**(2,857,164)**	(1,160,251)
Tax penalty paid		**(35,028)**	-
Net Cash Generated From Operating Activities		**42,051,808**	23,105,257

Cash Flow Statements

for the financial year ended 31 December 2009 (cont'd)

Group	Note	2009 RM	2008 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Interest on short-term and fixed deposits received		**47,185**	214,224
Proceeds from disposal of property, plant and equipment		**33,774**	340,187
Withdrawal of fixed deposits		**25,000**	414,000
Rental income		**13,382**	-
Purchase of property, plant and equipment	31(a)	**(32,351,214)**	(34,263,029)
Acquisition of additional shares in subsidiary companies		**(12,000,000)**	-
Net Cash Used In Investing Activities		**(44,231,873)**	(33,294,618)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of shares		**5,932,356**	-
Proceeds from resale of treasury shares		**3,538,521**	-
Proceeds from revolving credit		**3,421,454**	34,510,016
Proceeds from bills payable		**1,041,757**	817,801
Proceeds from issuance of shares to minority shareholders		**400,000**	1,471,250
Finance costs paid		**(9,887,881)**	(8,680,117)
Dividends paid		**(4,216,150)**	(3,971,535)
Repurchased of shares - treasury shares		**(2,866,190)**	(3,003,009)
Dividend paid to minority shareholders		**(1,789,885)**	(321,900)
(Repayment of)/Proceeds from term loan		**(929,170)**	5,260,107
Net Cash (Used In)/Generated From Financing Activities		**(5,355,188)**	26,082,613
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(7,535,253)**	15,893,252
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**24,819,284**	8,227,070
Effect of exchange rate changes on the balance of cash held in foreign currencies		**(28,201)**	698,962
CASH AND CASH EQUIVALENTS AT END OF YEAR	31(b)	**17,255,830**	24,819,284

The accompanying Notes form an integral part of the Financial Statements.

Cash Flow Statements
for the financial year ended 31 December 2009 (cont'd)

Company	Note	2009 RM	2008 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		**3,688,093**	17,013,399
Adjustments for:			
Unrealised loss/(gain) on foreign exchange		**1,561,356**	(5,965,392)
Finance costs		**508,437**	237,792
Income tax expense recognised in profit or loss		**82,349**	1,442,359
Tax penalty		**11,038**	-
Dividend income		**(5,316,000)**	(12,275,000)
Investment revenue recognised in profit or loss		**(1,332,821)**	(1,516,730)
		(797,548)	(1,063,572)
Movements in working capital:			
(Increase)/Decrease in:			
MTN Debt Service Reserve Account		**(55,035)**	(435,810)
Other receivables		**(168)**	-
(Decrease)/Increase in:			
Other payables		**(1,222)**	(10,709)
Other liabilities		**(11,624)**	284,522
Cash Used In Operations		**(865,597)**	(1,225,569)
Dividends received from subsidiary companies		**5,316,000**	10,630,500
Income tax refunded		**-**	98,163
Income tax paid		**(45,530)**	(19,250)
Tax penalty paid		**(11,038)**	-
Net Cash Generated From Operating Activities		**4,393,835**	9,483,844
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Interest on advances to subsidiary companies received		**6,314,980**	5,848,392
Repayment from/(Advances granted to) subsidiary companies - Net		**5,793,988**	(30,803,935)
Withdrawal of fixed deposits		**25,000**	414,000
Interest on fixed deposits received		**24,835**	33,321
Acquisition of additional shares in subsidiary companies		**(12,000,000)**	(1,606,876)
Net Cash Generated From/(Used In) Investing Activities		**158,803**	(26,115,098)

Cash Flow Statements
for the financial year ended 31 December 2009 (cont'd)

Company	Note	2009 RM	2008 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of shares		**5,932,356**	-
Proceeds from resale of treasury shares		**3,538,521**	-
Finance costs paid		**(7,253,110)**	(6,160,047)
Dividends paid		**(4,216,150)**	(3,971,535)
Purchase of treasury shares		**(2,866,190)**	(3,003,009)
Proceeds from revolving credit		**-**	30,000,000
Net Cash (Used In)/Generated From Financing Activities		**(4,864,573)**	16,865,409
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(311,935)**	234,155
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**1,298,067**	1,063,912
CASH AND CASH EQUIVALENTS AT END OF YEAR	31(b)	**986,132**	1,298,067

The accompanying Notes form an integral part of the Financial Statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The Company is a limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 16.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at Lot 138201, Off 3/4 Mile, Jalan Bercham, Kawasan Perindustrian Bercham, 31400 Ipoh, Perak Darul Ridzuan.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 March 2010.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs")

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and in compliance with the Financial Reporting Standards in Malaysia.

At the date of authorisation for issue of these financial statements, the FRSs, IC Interpretations ("Int.") and amendments to FRSs and IC Int. which were in issue but not yet effective are as listed below:

FRS and IC Int.		**Effective for annual periods beginning on or after**
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)	01 January 2010
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010)	01 July 2010
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from comparative FRS disclosures for first-time adopters)	01 January 2011
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)	01 January 2010
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)	01 July 2010
FRS 3	Business Combinations (Revised in 2010)	01 July 2010
FRS 4	Insurance Contracts	01 January 2010
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)	01 July 2010

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (cont'd)

FRS and IC Int.		**Effective for annual periods beginning on or after**
FRS 7	Financial Instruments: Disclosures	01 January 2010
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition)	01 January 2010
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)	01 January 2011
FRS 8	Operating Segments	01 July 2009
FRS 101	Presentation of Financial Statements (Revised in 2009)	01 January 2010
FRS 123	Borrowing Costs (Revised)	01 January 2010
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)	01 January 2010
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)	01 July 2010
FRS 132	Financial Instruments: Presentation (Amendments relating to puttable financial instruments and obligations arising on liquidation and transitional provision relating to compound instruments)	01 January 2010
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)	01 March 2010
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)	01 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	01 January 2010
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127)	01 January 2010
Improvements to FRSs (2009)		01 January 2010
IC Int. 9	Reassessment of Embedded Derivatives	01 January 2010
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)	01 January 2010
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Int. 9 and revised FRS 3)	01 July 2010
IC Int. 10	Interim Financial Reporting and Impairment	01 January 2010
IC Int. 11	FRS 2 - Group and Treasury Share Transactions	01 January 2010
IC Int. 12	Service Concession Arrangements	01 July 2010
IC Int. 13	Customer Loyalty Programmes	01 January 2010
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	01 January 2010
IC Int. 15	Agreements for the Construction of Real Estate	01 July 2010
IC Int. 16	Hedges of a Net Investment in a Foreign Operation	01 July 2010
IC Int. 17	Distributions of Non-cash Assets to Owners	01 July 2010

Consequential amendments were also made to various FRS as a result of these new/revised FRSs.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (cont'd)

The Group and the Company are exempted in the respective FRSs from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and 139.

The directors anticipate that abovementioned Standards and Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application except for the following:

FRS 3 - Business Combinations (Revised in 2010)

The revised FRS 3:

- allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority interests') either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree;

- changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;

- requires the recognition of a settlement gain or loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and

- requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the business combination.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 7 - Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the financial position and performance of the Group and of the Company, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

FRS 7 - Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

2. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs")** (cont'd)

FRS 8 - Operating Segment

FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its geographical and business segments (see Note 6). As a result, following the adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than expanded disclosure requirements, if any.

FRS 101 - Presentation of Financial Statements (Revised in 2009)

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the financial statements of the Group and of the Company as the revised Standard affects only the presentation the financial statements of the Group and of the Company.

FRS 123 - Borrowing Costs (Revised)

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. This principal change in the Standard has no impact on the financial statements of the Group and of the Company in the period of initial application as it has always been the accounting policy of the Group and of the Company to capitalise borrowing costs incurred on qualifying assets.

FRS 127 - Consolidated and Separate Financial Statements (Revised in 2010)

The revised Standard will affect the accounting policies of the Group regarding changes in ownership interests in its subsidiaries that do not results in a change in control. Previously, there was no specific requirements in FRSs that dealt with the above transactions.

Under FRS 127 (Revised in 2010), increases or decreases in ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiary companies are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or profit or loss. When control of a subsidiary is lost as a result of a transaction, event or other circumstances, FRS 127 (Revised in 2010) requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS ("FRSs") (cont'd)

FRS 139 - Financial Instruments: Recognition and Measurement

This new standard establishes principles for recognising and measuring financial assets, financial liabilities and certain contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group and the Company will apply this standard when it becomes effective.

Improvements to FRSs (2009)

Improvements to FRSs (2009) contain amendments to 21 FRSs. Some of the improvements involve accounting changes to presentation, recognition or measurement whilst some are changes to terminology with little effect on accounting. Only the following improvements are expected to have an impact on the financial statements of the Group:

- FRS 117 Leases generally required leases of land with an indefinite useful life to be classified as operating leases. Following the amendments, leases of land are classified as either "finance" or "operating" using the general principles of FRS 117. These amendments are effective for annual periods beginning on or after 01 January 2010, and they are to be applied retrospectively to unexpired leases as at 01 January 2010 if the necessary information was available at the inception of the lease. Otherwise, the revised Standard will be applied based on the facts and circumstances existing on 01 January 2010 (i.e. the date of adoption of the amendments) and the Group will recognise assets and liabilities related to land leases newly classified as finance leases at their fair values on that date; any difference between those fair values will be recognised in retained earnings. It is likely that the changes will affect the classification of some of the leases of land of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below.

The principal accounting policies are set out below:

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company made up to 31 December 2009.

A subsidiary company is a company where the Group or the Company has control over the financial and operating policies of the subsidiary so as to obtain benefits therefrom. Control is presumed to exist when the Group or the Company owns, directly or indirectly through subsidiary companies, more than one half of the voting rights of the subsidiary.

Financial statements of subsidiary companies are consolidated with those of the Company using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group or the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3, Business Combinations are recognised at their fair values at the acquisition date.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intragroup transactions, balances and resulting unrealised gains are eliminated in full on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiary companies are identified separately from the equity of the Group therein. Minority interests consist of amount of those interests at the date of the original business combination stated at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interests in the equity of the subsidiary companies are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

For changes in the interests in subsidiary companies of the Group that do not result in a loss of control, they are accounted for as equity transactions. The carrying amounts of the Group's interests and the minority interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributed to owners of the Group.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable net of sales tax and trade discounts.

Sale of goods

Revenue from sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the customer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income

Dividend income represents gross dividends from unquoted investments and is recognised when the shareholder's right to receive payment is established.

Employee Benefits

Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

The Group makes statutory contributions to approved provident funds and the contributions are charged to profit or loss as incurred. The approved provident funds are defined contribution plans. Once the contributions have been paid, there are no further payment obligations.

Employee equity compensation benefits

The Company has an Executive Share Option Scheme whereby options to subscribe for ordinary shares in the Company were granted to eligible executive employees, including executive directors of the Company and its subsidiary companies. No compensation cost is recognised upon granting or the exercise of the options. When the options are exercised, the proceeds received net of any transaction costs are credited to the share capital and share premium of the Company accordingly.

Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and also the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the entity (foreign currencies) are recorded at the rates of exchange prevailing on the date of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currencies (cont'd)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign incorporated subsidiary companies of the Group are expressed in Ringgit Malaysia using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the translation reserve of the Group. Such exchange differences are recognised in profit or loss in the year in which the foreign incorporated subsidiary company is disposed of.

The principal closing rates used in the translation of foreign currency amounts are as follows:

Foreign Currency	**31.12.2009**	**31.12.2008**
	RM	**RM**
1 United States Dollar	**3.4250**	3.4640
1 Hong Kong Dollar	**0.4416**	0.4470
1 Chinese Renminbi	**0.5016**	0.5076
1 Euro Dollar	**4.9354**	4.8759
1 Sterling Pound	**5.5283**	4.9989

Borrowing Costs

Borrowing costs directly attributable to construction of assets which require a substantial period of time to get them ready for their intended use are capitalised and included as part of the cost of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability of the Group and of the Company for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Taxation (cont'd)

Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, other than freehold land and capital work-in-progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are as follows:

Factory buildings	4.5% to 5%
Plant and machinery	9% to 25%
Factory and office equipment, furniture and fittings	18% to 25%
Electrical installation	10%
Motor vehicles	18% to 20%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases

Leasehold land that normally has an indefinite economic life and where title is not expected to pass to the lessee by the end of the lease period is treated as an operating lease. The payment made on entering into or acquiring a leasehold interest is accounted for as prepaid lease payments at the balance sheet date. In the case of a lease of land and buildings, the prepaid lease payments are allocated whenever necessary, between the land element and buildings element of the lease at the inception of the lease in proportion to their relative fair value.

Prepaid lease payments on leasehold land are stated at surrogate cost less accumulated amortisation and accumulated impairment losses.

Long-term and short-term leasehold land is amortised over the lease period ranging from 50 to 99 years.

Investments in Subsidiary Companies

Investments in subsidiary companies, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less accumulated impairment losses, if any.

Goodwill

Goodwill acquired in a business combination is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill arising on consolidation represents the excess of cost of business combination over the interest of the Group in the net fair values of the identifiable assets, liabilities and contingent liabilities recognised of the acquiree at the date of the combination.

Goodwill is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units of the Group expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in the consolidated profit or loss and any impairment loss recognised for goodwill is not subsequently reversed.

On disposal of an entity or operation, the goodwill associated with the entity or operation disposed of is included in the carrying amount of the entity or operation when determining the gain or loss on disposal.

Impairment of Assets excluding Goodwill

At each balance sheet date, the Group and the Company review the carrying amounts of their assets (other than inventories and other financial assets which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Assets excluding Goodwill (cont'd)

Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss had been recognised for the asset in prior years. A reversal is recognised immediately in profit or loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the "First-in, First-out" and "Weighted Average" methods. The cost of raw materials, packing materials, trading goods, parts and consumables comprise the original purchase price plus cost incurred in bringing the inventories to their present location. The cost of finished goods and work-in-progress comprise the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price for inventories and all estimated costs of completion and costs necessary to make the sale.

Receivables

Receivables are reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible loan stocks. The difference between the proceeds of issue of the ICULS and the fair value assigned to the liability component is regarded as equity component.

Issue costs are apportioned between the liability and equity components of the ICULS based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies of the Group and of the Company, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Impairment of Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

For the purpose of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the tests for impairment of goodwill of the Group.

(b) Estimated Useful Lives of Property, Plant and Equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(c) Allowance for Receivables

The Group makes allowance for doubtful receivables based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

(d) Inventories Written Off

The Group writes off inventories based on an assessment of the recoverability of the inventories through sales and recycling for alternatives uses. Write off is applied to inventories where events or changes in circumstances indicate that the costs may not be recoverable.

The identification of obsolete inventories requires use of judgement and estimates.

Where the expectation is different from the original estimate, such difference will impact the carrying values of the inventories and inventories written off/(back) in the period in which such estimate has been changed.

5. REVENUE

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Sale of manufactured products	**301,696,060**	256,854,006	**-**	-
Sale of trading products	**15,931,587**	17,658,345	**-**	-
Dividends (gross) received from subsidiary companies	**-**	-	**5,316,000**	12,275,000
	317,627,647	274,512,351	**5,316,000**	12,275,000

6. SEGMENT REPORTING

Segmental information is presented in respect of the business and geographical segments of the Group. The primary format, geographical segments by location of assets, is based on the management and internal reporting structure of the Group.

6. SEGMENT REPORTING (cont'd)

Geographical segments by location of assets

Group 2009	Malaysia RM	People's Republic of China RM	Europe RM	Eliminations RM	Total RM
Revenue	114,327,892	360,468,009	41,543,146	(198,711,400)	317,627,647
Results					
Segment results	13,529,409	26,529,942	1,562,393	(10,300,103)	31,321,641
Finance costs					(8,026,533)
Profit before tax					23,295,108
Income tax expense					(727,332)
Profit for the year					22,567,776
Assets					
Segment assets	81,242,075	204,158,905	32,223,257	-	317,624,237
Unallocated corporate assets					2,100,380
Consolidated total assets					319,724,617
Liabilities					
Segment liabilities	24,825,128	23,329,247	1,065,673	-	49,220,048
Unallocated corporate liabilities					106,547,300
Consolidated total liabilities					155,767,348
Other Information					
Capital expenditure	1,640,953	30,959,976	7,156	-	32,608,085
Depreciation and amortisation charges	8,250,349	7,038,105	23,121	-	15,311,575

6. SEGMENT REPORTING (cont'd)

Geographical segments by location of assets (cont'd)

Group 2008	Malaysia RM	People's Republic of China RM	Europe RM	Eliminations RM	Total RM
Revenue	155,865,558	289,563,776	41,459,190	(212,376,173)	274,512,351
Results					
Segment results	29,421,943	9,287,215	137,977	(19,922,648)	18,924,487
Finance costs					(7,041,564)
Profit before tax					11,882,923
Income tax expense					(2,228,529)
Profit for the year					9,654,394
Assets					
Segment assets	99,066,333	173,196,025	29,234,145	-	301,496,503
Unallocated corporate assets					809,798
Consolidated total assets					302,306,301
Liabilities					
Segment liabilities	16,233,015	17,010,196	1,971,088	-	35,214,299
Unallocated corporate liabilities					107,441,455
Consolidated total liabilities					142,655,754
Other Information					
Capital expenditure	2,563,665	31,725,665	54,981	-	34,344,311
Depreciation and amortisation charges	9,334,748	4,204,754	25,366	-	13,564,868

Revenue from sales to external customers by location of customers:

	Group 2009 RM	Group 2008 RM
Europe	**217,879,246**	190,129,085
North and South America	**49,170,262**	32,396,309
Rest of the world	**50,578,139**	51,986,957
	317,627,647	274,512,351

6. SEGMENT REPORTING (cont'd)

Business segments

Information on the operations of the Group by business segments has not been disclosed as the Group is principally involved in manufacturing and sale of household, industrial and disposable rubber gloves. The revenue, carrying amounts of segment assets and cost of capital expenditure from trading operations are less than 10% of the revenue, segment assets and additions to property, plant and equipment of the Group respectively.

7. INVESTMENT REVENUE

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Interest income from:				
Short-term deposits	**22,350**	169,380	**-**	-
Fixed deposits	**24,835**	33,321	**24,835**	33,321
Advances to subsidiary companies	**-**	-	**1,307,986**	1,483,409
Rental income	**13,382**	11,523	**-**	-
	60,567	214,224	**1,332,821**	1,516,730

8. OTHER GAINS AND LOSSES

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Realised loss on foreign exchange	**(1,762,567)**	(1,894,915)	**(81,308)**	(207,936)
Gain on disposal of property, plant and equipment	**13,032**	104,704	**-**	-
Unrealised (loss)/gain on foreign exchange	**(19,429)**	664,601	**(1,561,356)**	5,965,392
	(1,768,964)	(1,125,610)	**(1,642,664)**	5,757,456

9. DIRECTORS' REMUNERATION

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Executive directors of the Company:				
Salaries, allowances and bonuses	**412,700**	324,680	**-**	-
Contributions to EPF	**45,924**	35,364	**-**	-
	458,624	360,044	**-**	-
Executive directors of the subsidiary companies:				
Salaries, allowances and bonuses	**1,048,371**	660,709	**-**	-
Contributions to EPF	**91,716**	79,512	**-**	-
	1,140,087	740,221	**-**	-
Non-executive directors:				
Fees:				
Current year	**127,500**	127,500	**127,500**	127,500
Prior year	**-**	(25,000)	**-**	(25,000)
	127,500	102,500	**127,500**	102,500
	1,726,211	1,202,765	**127,500**	102,500

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM224,150 (2008: RM2,400).

10. OTHER OPERATING INCOME/(EXPENSES) AND EMPLOYEE BENEFITS EXPENSES

Included in other operating income/(expenses) are the following:

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Allowance for doubtful debts no longer required	**173,875**	178,428	**-**	-
Bad debts recovered	**22,800**	-	**-**	-
Auditors' remuneration:				
Statutory audit	**(365,773)**	(370,855)	**(30,000)**	(30,000)
Others	**(2,000)**	(2,000)	**-**	-
Allowance for doubtful debts	**(158,472)**	(219,615)	**-**	-
Rental of premises	**(131,916)**	(132,295)	**-**	-
Rental of motor vehicle	**(64,404)**	(64,042)	**-**	-
Property, plant and equipment written off	**(49,849)**	(593,399)	**-**	-

Included in employee benefits expense are contributions made by the Group to the EPF and other defined contribution plans of RM2,673,081 (2008: RM1,346,686).

11. FINANCE COSTS

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Interest on:				
Medium Term Notes	**3,224,532**	3,250,496	**-**	-
Revolving credit	**1,912,067**	791,349	**505,343**	203,835
Term loan	**935,487**	851,561	**-**	-
Bills payable	**407,880**	625,083	**-**	-
ICULS	**375,738**	526,974	**-**	-
Bank overdrafts	**41,117**	114,093	**-**	-
Bank charges and commitment fees	**1,129,712**	963,290	**3,094**	33,957
	8,026,533	7,122,846	**508,437**	237,792
Less: Interest on term loans capitalised in capital work-in progress	**-**	(81,282)	**-**	-
	8,026,533	7,041,564	**508,437**	237,792

Interest cost on ICULS, Medium Term Notes and revolving credit of RM375,738, RM3,224,532 and RM1,406,724 (2008: RM526,974, RM3,250,496 and RM587,514) respectively, were set off against interest income on advances received from the subsidiaries in the financial statements of the Company as these borrowings of the Company were onlent to and utilised by subsidiary companies.

12. INCOME TAX EXPENSE

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Income tax expense comprises:				
Current tax expense:				
Malaysian	**1,389,000**	2,955,600	**-**	1,508,000
Foreign	**63,041**	174,792	**-**	-
	1,452,041	3,130,392	**-**	1,508,000
Adjustment recognised in the current year in relation to the income tax of prior years	**(266,408)**	276,048	**24,530**	(88,064)
	1,185,633	3,406,440	**24,530**	1,419,936
Deferred tax:				
Relating to origination and reversal of temporary differences:				
Malaysian	**(452,485)**	(1,166,881)	**57,819**	22,423
Foreign	**5,214**	-	**-**	-
	(447,271)	(1,166,881)	**57,819**	22,423
Relating to crystallisation of deferred tax liability on revaluation surplus of factory buildings of certain subsidiaries	**(11,030)**	(11,030)	**-**	-
	(458,301)	(1,177,911)	**57,819**	22,423
	727,332	2,228,529	**82,349**	1,442,359

12. INCOME TAX EXPENSE (cont'd)

Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated taxable profit for the year. In the previous years of assessments, for companies with a paid-up capital of RM2,500,000 and below, an income tax rate of 20% is applicable for chargeable income of up to RM500,000. However, with effect from year of assessment 2009, this preferential tax rate will no longer be applicable for companies that controls or being controlled directly or indirectly by, or are related to another company which has a paid-up ordinary share capital of more than RM2,500,000. Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Profit before tax	**23,295,108**	11,882,923	**3,770,442**	18,455,758
Tax calculated at 25% (2008: 26%)	**5,824,000**	3,090,000	**943,000**	4,798,000
Tax effects of:				
Expenses that are not deductible in determining taxable profit	**3,613,172**	3,721,330	**864,819**	341,423
Unutilised tax losses and unabsorbed tax capital allowances not recognised as deferred tax assets	**372,500**	2,529,800	**-**	-
Income that are not taxable in determining taxable profit:				
Off-shore profit of a foreign subsidiary not subjected to tax	**(6,511,066)**	(6,242,412)	**-**	-
Others	**-**	-	**(1,750,000)**	(3,609,000)
Reinvestment allowances utilised	**(1,160,517)**	(704,705)	**-**	-
Utilisation of unutilised tax losses	**(1,119,000)**	-	**-**	-
Effect on opening balances of deferred tax due to reduction in tax rate from 26% to 25%	**-**	(348,296)	**-**	-
Effect of difference in tax rate applicable to small and medium scale companies	**-**	(30,240)	**-**	-
Effect of different tax rates in other jurisdictions	**(25,349)**	(62,996)	**-**	-
Adjustment recognised in the current year in relation to the income tax of prior years	**(266,408)**	276,048	**24,530**	(88,064)
Income tax expense recognised in profit or loss	**727,332**	2,228,529	**82,349**	1,442,359

12. INCOME TAX EXPENSE (cont'd)

Current tax assets

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Tax refund receivables	**2,064,513**	716,112	**358,848**	337,848

Current tax liabilities

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Income tax payables	**366,500**	687,877	**-**	-

As at 31 December 2009, the Company has Section 108 tax credit and tax-exempt accounts balances of approximately RM3,099,400 (2008: RM3,124,000) and RM12,556,000 (2008: RM17,355,000) respectively. The tax-exempt accounts, arising from tax-exempt dividends received under Section 23(6) of the Promotion of Investments Act, 1986 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999, are available for distribution as tax-exempt dividends to the shareholders of the Company.

As at 31 December 2009, certain subsidiary companies have Section 108 tax credit and tax-exempt account balance of approximately RM1,271,000 (2008: RM1,277,000) and RM8,871,000 (2008: RM2,792,000) respectively. The tax-exempt account arose from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967. The tax-exempt account, which is subject to approval by the tax authorities, is available for distribution as tax-exempt dividends to the shareholders of the subsidiary companies.

Deferred tax assets/(liabilities)

Certain deferred tax assets and liabilities have been offset in accordance with the accounting policy of the Group. The following is the analysis of the deferred tax balances (after offset) for balance sheets purposes:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Deferred tax assets	**35,867**	93,686	**35,867**	93,686
Deferred tax liabilities	**(2,973,636)**	(3,489,729)	**-**	-

12. INCOME TAX EXPENSE (cont'd)

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects on the following:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Deferred tax liabilities (before offsetting):				
Temporary differences arising from:				
Property, plant and equipment	**3,383,241**	4,007,000	**-**	-
Revaluation reserve	**186,458**	197,792	**-**	-
Unrealised gain on foreign exchange	**215,000**	69,000	**-**	-
	3,784,699	4,273,792	**-**	-
Offsetting	**(811,063)**	(784,063)	**-**	-
Deferred tax liabilities (after offsetting)	**2,973,636**	3,489,729	**-**	-
Deferred tax assets (before offsetting):				
Temporary differences arising from:				
Allowance for doubtful debts	**-**	39,000	**-**	-
Unrealised gain on inventories	**457,063**	457,063	**-**	-
Tax effects of:				
Unabsorbed tax capital allowances	**354,000**	288,000	**-**	-
Liability component of ICULS	**35,867**	93,686	**35,867**	93,686
	846,930	877,749	**35,867**	93,686
Offsetting	**(811,063)**	(784,063)	**-**	-
Deferred tax assets (after offsetting)	**35,867**	93,686	**35,867**	93,686

The movement of deferred tax assets and deferred tax liabilities during the financial year are as follows:

Deferred tax assets

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
At beginning of year	**93,686**	116,109	**93,686**	116,109
Transfer to profit or loss:				
Reversal of liability component of ICULS	**(57,819)**	(22,423)	**(57,819)**	(22,423)
At end of year	**35,867**	93,686	**35,867**	93,686

12. INCOME TAX EXPENSE (cont'd)

Deferred tax liabilities

	Group 2009 RM	Group 2008 RM
At beginning of year	**(3,489,729)**	(4,690,063)
Credit to profit or loss for the year:		
Property, plant and equipment	**439,090**	1,092,304
Crystallisation of deferred tax liability on revaluation surplus of factory buildings	**11,030**	11,030
Tax capital allowances	**66,000**	97,000
	516,120	1,200,334
Net foreign currency exchange difference	**(27)**	-
At end of year	**(2,973,636)**	(3,489,729)

As at 31 December 2009, the amount of estimated deferred tax assets of the Group calculated at applicable tax rate which is not recognised in the financial statements, is as follows:

	Group Deferred Tax Assets 2009 RM	Group Deferred Tax Assets 2008 RM
Tax effects of:		
Unutilised tax losses and unabsorbed tax capital allowances	**2,361,000**	3,344,000
Temporary differences arising from property, plant and equipment	**52,000**	64,000
	2,413,000	3,408,000

The unutilised tax losses and unabsorbed tax capital allowances are subject to agreement by the tax authorities.

13. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated as follows:

Basic

	Group	
	2009	**2008**
	RM	**RM**
Profit for the year attributable to equity holders of the Company	**17,308,011**	8,632,733

	2009	**2008**
	Shares	**Shares**
Number of ordinary shares in issue as at 01 January	**83,109,524**	79,483,702
Less: Shares repurchased as at 01 January	**(2,801,900)**	(53,000)
	80,307,624	79,430,702
Conversion of ICULS	**2,124,005**	695,755
Exercise of ESOS and Warrants	**2,093,675**	-
Treasury shares sold	**2,872,225**	-
Shares repurchased	**(1,133,350)**	(1,072,908)
Weighted average number of ordinary shares in issue	**86,264,179**	79,053,549

	2009	**2008**
Basic earnings per ordinary share (sen)	**20.06**	10.92

Fully Diluted

	Group	
	2009	**2008**
	RM	**RM**
Profit for the year attributable to equity holders of the Company	**17,308,011**	8,632,733
Add: Interest on ICULS (net of tax)	**162,785**	122,084
	17,470,796	8,754,817

	2009	**2008**
	Shares	**Shares**
Weighted average number of ordinary shares in issue	**86,264,179**	79,053,549
Effect of conversion of Warrants	**7,245,596**	-
Effect of conversion of ICULS	**16,008,502**	27,541,462
Adjusted weighted average number of ordinary shares for calculating fully diluted earnings per ordinary share	**109,518,277**	106,595,011

	2009	**2008**
Fully diluted earnings per ordinary share (sen)	**15.95**	8.21

The effects of ESOS and Warrants on fully diluted earnings per ordinary share in the prior year have not been presented as the average fair value of the shares of the Company is lower than the exercise price of the ESOS and Warrants. The effect would be anti-dilutive to the earnings per ordinary share.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Factory buildings RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Electrical installation RM	Motor vehicles RM	Capital work-in progress RM	Total RM
Cost								
As at 01 January 2008	3,519,496	24,519,351	127,399,230	8,734,716	283,681	1,609,909	37,781,460	203,847,843
Additions	-	6,717,158	18,070,548	2,313,103	-	542,969	6,700,533	34,344,311
Disposals	-	-	(541,335)	(4,999)	-	(319,796)	-	(866,130)
Write off	-	-	(887,550)	(12,558)	-	-	-	(900,108)
Reclassification	-	13,260,747	35,129,308	888,705	1,178,470	-	(50,457,230)	-
Net foreign currency exchange differences	-	(2,896,721)	(12,713,147)	576,693	(1,178,467)	(804,626)	24,936,279	7,920,011
As at 31 December 2008	3,519,496	41,600,535	166,457,054	12,495,660	283,684	1,028,456	18,961,042	244,345,927
Additions	-	365,073	1,683,100	2,808,857	4,750	689,472	26,799,962	32,351,214
Disposals	-	-	-	(2,699)	-	(93,985)	-	(96,684)
Write off	-	-	-	(76,382)	-	-	(7,970)	(84,352)
Reclassification	-	7,615,938	17,170,286	(829,346)	-	776,000	(24,732,878)	-
Net foreign currency exchange differences	-	(285,977)	(665,792)	(56,273)	-	(9,173)	(219,966)	(1,237,181)
As at 31 December 2009	3,519,496	49,295,569	184,644,648	14,339,817	288,434	2,390,770	20,800,190	275,278,924
Accumulated depreciation								
As at 01 January 2008	-	7,425,692	77,483,321	5,520,209	18,739	842,319	-	91,290,280
Charge for the year	-	1,377,581	10,620,758	1,195,541	28,368	114,847	-	13,337,095
Disposals	-	-	(344,747)	(3,224)	-	(282,676)	-	(630,647)
Write off	-	-	(299,549)	(7,160)	-	-	-	(306,709)
Reclassification	-	(56,745)	83,880	(20,464)	-	(6,671)	-	-
Net foreign currency exchange differences	-	39,907	371,938	280,354	-	(190,714)	-	501,485
As at 31 December 2008	-	8,786,435	87,915,601	6,965,256	47,107	477,105	-	104,191,504
Charge for the year	-	1,536,688	11,884,238	1,252,521	26,147	364,571	-	15,064,165
Disposals	-	-	-	(787)	-	(75,155)	-	(75,942)
Write off	-	-	-	(34,503)	-	-	-	(34,503)
Reclassification	-	28,932	(14,317)	(321,378)	-	306,763	-	-
Net foreign currency exchange differences	-	(24,194)	(188,237)	(32,713)	-	(9,538)	-	(254,682)
As at 31 December 2009	-	10,327,861	99,597,285	7,828,396	73,254	1,063,746	-	118,890,542
Net Book Value								
As at 31 December 2009	3,519,496	38,967,708	85,047,363	6,511,421	215,180	1,327,024	20,800,190	156,388,382
As at 31 December 2008	3,519,496	32,814,100	78,541,453	5,530,404	236,577	551,351	18,961,042	140,154,423

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Staff costs and interest on term loans amounting to RM28,238 and RMNil (2008: RM48,822 and RM81,282) respectively have been capitalised within additions of capital work-in progress of the Group.

Certain factory buildings of the Group with net carrying value of RM19,276,707 (2008: RM8,289,586) as at 31 December 2009 is charged to a licensed bank for facilities granted to a subsidiary as disclosed in Note 28.

Included in property, plant and equipment of the Group are the following fully depreciated assets which are still in use:

	Group	
	2009	**2008**
	RM	**RM**
At cost:		
Plant and machinery	**50,819,251**	46,432,943
Factory and office equipment, furniture and fittings	**5,017,744**	3,436,979
Motor vehicles	**417,126**	270,612
	56,254,121	50,140,534

15. PREPAID LEASE PAYMENTS

Group **2009**	**Long-term leasehold land RM**	**Short-term leasehold land RM**	**Total RM**
At cost			
At beginning of year	1,474,383	13,700,367	15,174,750
Additions	256,871	-	256,871
Disposals	-	-	-
Net foreign currency exchange differences	-	(125,271)	(125,271)
At end of year	1,731,254	13,575,096	15,306,350
Accumulated amortisation			
At beginning of year	218,412	424,393	642,805
Amortisation for the year	32,488	214,922	247,410
Disposals	-	-	-
Net foreign currency exchange differences	-	(9,795)	(9,795)
At end of year	250,900	629,520	880,420
Net carrying amount	1,480,354	12,945,576	14,425,930

15. PREPAID LEASE PAYMENTS (cont'd)

Group **2008**	**Long-term leasehold land RM**	**Short-term leasehold land RM**	**Total RM**
At cost			
At beginning of year	1,474,383	12,573,821	14,048,204
Additions	-	-	-
Disposals	-	-	-
Net foreign currency exchange differences	-	1,126,546	1,126,546
At end of year	1,474,383	13,700,367	15,174,750
Accumulated amortisation			
At beginning of year	191,112	189,458	380,570
Amortisation for the year	27,300	200,473	227,773
Disposals	-	-	-
Net foreign currency exchange differences	-	34,462	34,462
At end of year	218,412	424,393	642,805
Net carrying amount	1,255,971	13,275,974	14,531,945

Short-term leasehold land of a subsidiary with carrying amount of RM12,945,576 (2008: RM8,650,771) is charged to a licensed bank for facilities granted to a subsidiary as disclosed in Note 28.

16. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2009 RM	**2008 RM**
Unquoted shares, at cost:		
In Malaysia	**27,353,102**	27,353,102
Outside Malaysia	**37,618,534**	13,618,534
	64,971,636	40,971,636

16. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2009 %	2008 %	Principal Activities
Direct subsidiary companies				
Rubberex (M) Sdn. Berhad	Malaysia	**100**	100	Manufacturing and sales of household and industrial rubber gloves.
Filrex (Malaysia) Sdn. Bhd.	Malaysia	**100**	100	Manufacturing and sales of industrial rubber gloves.
Diamond Grip (M) Sdn. Bhd.	Malaysia	**100**	100	Manufacturing and sales of industrial rubber gloves.
Pioneer Vantage Limited *	Hong Kong	**100**	60	Investment holding.
Rubberex (Hong Kong) Limited *	Hong Kong	**80**	60	Trading of gloves and other latex products.
Lifestyle Investment (Hong Kong) Limited *	Hong Kong	**100**	60	Investment holding.
Indirect subsidiary companies				
Held through Rubberex (M) Sdn. Berhad				
Rubberex Marketing (M) Sdn. Bhd.	Malaysia	**70**	70	Trading of gloves, household items, kitchen items and personal protective products.
Gentle Touch Limited #	United Kingdom	**100**	100	Trading of gloves, household items, kitchen items and personal protective products.
Rubberex Spain, S.L.*	Spain	**100**	100	Trading of gloves, household items, kitchen items and personal protective products.
Held through Diamond Grip (M) Sdn. Bhd.				
Biogreen Medical Sdn. Bhd.	Malaysia	**60**	60	Manufacturing and sales of male latex condoms.

16. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest 2009 %	2008 %	Principal Activities
Held through Pioneer Vantage Limited				
LPL (Hui Zhou) Glove Co. Limited *	People's Republic of China	**100**	60	Manufacturing and sales of industrial and disposable gloves.
Held through Lifestyle Investment (Hong Kong) Limited				
Lifestyle Safety Products (Hui Zhou) Co. Limited *	People's Republic of China	**100**	60	Manufacturing and sales of disposable gloves.

* The financial statements of these companies are examined by auditors other than the auditors of the Company.

No statutory audit required.

During the financial year, the Company acquired additional shares in the following subsidiaries:

(i) remaining 40% equity interest in Pioneer Vantage Limited, Lifestyle Investment (Hong Kong) Limited, LPL (Hui Zhou) Glove Co. Limited and Lifestyle Safety Products (Hui Zhou) Co. Limited; and

(ii) additional 20% equity interest in Rubberex (Hong Kong) Limited.

The total purchase consideration for the above acquisitions amounted to RM24,000,000 of which RM12,000,000 is payable by equal annual repayment of RM2,400,000 from 2010 to 2014. The amounts payable to the vendors of the abovementioned subsidiaries, included in other payables under Note 29, are free of any interest charges but are subject to profit guarantee as disclosed in Note 33.

17. GOODWILL ON CONSOLIDATION

	Group 2009 RM	2008 RM
Goodwill:		
At beginning and end of year	**2,793,422**	2,793,422

17. GOODWILL ON CONSOLIDATION (cont'd)

Impairment tests for cash-generating units ("CGU") containing goodwill

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The carrying amount of goodwill is allocated to the manufacturing operations of Diamond Grip (M) Sdn. Bhd..

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on a financial forecast approved by management which were a five year period from 2010 to 2014. The following key assumptions are used to generate the financial forecast:

Sales volume	Remained unchanged
Inflation rate	1.50% per annum
Discount rate	6.16%

Receivables and payables turnover period is estimated to be consistent with the current financial year.

The above assumptions were determined based on business past performance and management's expectations of market development.

The Group believes that any reasonable possible changes in the assumptions applied are not likely to materially cause the recoverable amount of the CGU to be lower than the carrying amount of goodwill.

18. INVENTORIES

	Group	
	2009	**2008**
	RM	**RM**
At cost:		
Finished goods	**37,909,004**	41,797,561
Raw materials	**20,097,832**	21,834,108
Trading goods	**6,557,362**	5,409,907
Packing materials	**2,593,884**	3,044,951
Work-in-progress	**326,352**	407,074
Parts and consumables	**488,460**	331,400
	67,972,894	72,825,001

The cost of inventories recognised as an expense during the year was RM255,161,432 (2008: RM239,751,689).

Inventories written off recognised as an expense for the Group are as follows:

	2009	**2008**
	RM	**RM**
Packing materials	**2,625**	-
Raw materials	**-**	1,012,556
Finished and trading goods	**-**	228,329

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Trade receivables	**42,379,225**	36,292,409	**-**	-
Less: Allowance for doubtful debts	**(157,712)**	(219,341)	**-**	-
	42,221,513	36,073,068	**-**	-
Other receivables	**13,995,442**	4,674,517	**3,710,757**	-
Amount owing by a related party (Note 20)	**1,019,179**	1,045,093	**-**	-
	57,236,134	41,792,678	**3,710,757**	-

The currency profile of trade receivables is as follows:

	Group	
	2009	**2008**
	RM	**RM**
United States Dollar	**31,576,029**	24,621,968
Euro Dollar	**8,786,855**	9,210,886
Ringgit Malaysia	**1,623,893**	1,161,688
Swiss Franc	**283,440**	10,431
Sterling Pound	**109,008**	1,287,436
	42,379,225	36,292,409

Trade receivables comprise amounts receivable for the sale of goods. The credit period granted on sale of goods ranged from 30 to 180 days (2008: 30 to 180 days).

Other receivables comprise mainly proceeds receivable from the resale of treasury shares and advance payments to suppliers for purchase of raw materials and property, plant and equipment, which are unsecured and interest-free.

Movement in the allowance for doubtful debts

	Group	
	2009	**2008**
	RM	**RM**
At beginning of year	**219,341**	930,569
Increase in allowance recognised in profit or loss	**158,472**	219,615
Amounts recovered during the year	**(173,875)**	(178,428)
Amounts written off	**(47,377)**	(752,141)
Translation difference	**1,151**	(274)
At end of year	**157,712**	219,341

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Transactions with related parties are disclosed in Note 20.

20. RELATED PARTY TRANSACTIONS

The amount owing by subsidiary companies arose mainly from advances and expenses paid on behalf which are unsecured and interest-free except for certain advances granted to certain subsidiary companies which bear interest rates ranging from 4.00% to 7.70% (2008: 4.00% to 7.70%) per annum.

The currency profile of amount owing by subsidiary companies is as follows:

	Company	
	2009	**2008**
	RM	**RM**
Hong Kong Dollar	**118,389,219**	106,955,890
Ringgit Malaysia	**55,164,040**	73,952,713
	173,553,259	180,908,603

The amounts owing by/(to) related parties are repayable upon demand and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year for bad or doubtful debts in respect of the amounts owing by related parties.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiary companies are as follows:

Name of related parties		Relationship
Rich (HK) Foreign Trade Co. Ltd.	-	Companies in which Mr. Wu Bai Jun, a director of a subsidiary company, has substantial financial interest.
Hui Zhou LPL Trading Co. Limited		

During the financial year, significant related party transactions are as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Subsidiary companies				
Rubberex (M) Sdn. Berhad				
Net advances received	-	-	**18,430,387**	3,633,730
Interest on advances received	-	-	**782,350**	795,586
Dividend income	-	-	-	7,475,000
Biogreen Medical Sdn. Bhd.				
Net advances received/(granted)	-	-	**600,000**	(1,000,000)
Interest on advances received	-	-	**291,983**	251,091
Pioneer Vantage Limited				
Net advances granted	-	-	**(10,947,606)**	(6,794,012)
Interest on advances received	-	-	**3,555,686**	3,430,847

20. RELATED PARTY TRANSACTIONS (cont'd)

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
LPL (Hui Zhou) Glove Co. Limited				
Advances received	-	-	-	137,760
Lifestyle Investment (Hong Kong) Limited				
Interest on advances received	-	-	**790,686**	944,087
Advances granted	-	-	**(21,065)**	(547,701)
Rubberex (Hong Kong) Limited				
Dividend income	-	-	**5,316,000**	-
Interest on advances received	-	-	**894,275**	426,781
Advances received/(granted)	-	-	**8,449,324**	(10,009,998)
Diamond Grip (M) Sdn. Bhd.				
Dividend income	-	-	-	4,800,000
Advances received/(granted)	-	-	**788,719**	(3,830,475)
Other related parties				
Rich (HK) Foreign Trade Co. Ltd.				
Acquisition of additional shares in Pioneer Vantage Limited, Lifestyle Investment (Hong Kong) Limited and Rubberex (Hong Kong) Limited	**12,000,000**	-	-	-
Hui Zhou LPL Trading Co. Limited				
Trade sales	**13,393**	8,089	-	-
Sales commission payable	-	1,317	-	-

Compensation of key management personnel

The remuneration of directors are disclosed in Note 9. The remuneration of other members of key management personnel of the Group during the year are as follows:

	2009 RM	2008 RM
Short-term employee benefits	**1,155,606**	1,112,113
Post-employment benefits - Defined contribution plan	**139,301**	105,243
	1,294,907	1,217,356

The estimated monetary value of benefits-in-kind received and receivable by other members of key management personnel otherwise than in cash from the Group amounted to RM255,370 (2008: RM3,600).

21. OTHER ASSETS

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Refundable deposits	**210,918**	2,622,820	**-**	-
Prepaid expenses	**434,406**	999,881	**1,000**	1,000
	645,324	3,622,701	**1,000**	1,000

Refundable deposits in the prior year comprise mainly deposits paid by subsidiaries in the People's Republic of China to obtain bank guarantee for custom's handbook amounting to RM2,379,822.

22. FIXED DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Fixed deposits with a licensed bank	**275,000**	300,000	**275,000**	300,000
MTN Debt Service Reserve Account	**497,750**	442,715	**497,750**	442,715
MTN Disbursement Account	**26,401**	26,401	**26,401**	26,401
Cash and other bank balances	**17,363,000**	25,007,217	**986,132**	1,298,067
	18,162,151	25,776,333	**1,785,283**	2,067,183

MTN Debt Service Reserve Account and MTN Disbursement Account are designated accounts opened under the MTN Programme. All moneys standing to the credit of the designated accounts including all its present and future rights, title and interest in respect of the designated accounts are charged to Malaysian Trustees Berhad.

Fixed deposits of the Group and of the Company amounting to RM275,000 (2008: RM300,000) are pledged to a licensed bank as security for the MTN Programme.

The currency profile of fixed deposits, cash and bank balances are as follows:

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
United States Dollar	**8,929,760**	11,690,664	**-**	-
Euro Dollar	**3,920,249**	4,951,136	**-**	-
Ringgit Malaysia	**2,825,536**	5,328,377	**1,785,283**	2,067,183
Chinese Renminbi	**1,755,044**	940,487	**-**	-
Hong Kong Dollar	**592,250**	2,780,632	**-**	-
Sterling Pound	**139,312**	85,037	**-**	-
	18,162,151	25,776,333	**1,785,283**	2,067,183

23. SHARE CAPITAL AND TREASURY SHARES

(a) Share Capital

	Group and Company			
	2009 Number of shares	2008 Number of shares	2009 RM	2008 RM
Authorised:				
Ordinary shares of RM1.00 each:				
At beginning and end of year	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Issued and fully paid:				
Ordinary shares of RM1.00 each:				
At beginning of year	**83,109,524**	79,483,702	**83,109,524**	79,483,702
Issued during the year:				
Conversion of ICULS	**11,532,960**	3,625,822	**11,532,960**	3,625,822
Exercise of share options under ESOS	**3,981,334**	-	**3,981,334**	-
Exercise of Warrants	**99**	-	**99**	-
At end of year	**98,623,917**	83,109,524	**98,623,917**	83,109,524

During the financial year, the Company increased its issued and fully paid-up ordinary share capital from RM83,109,524 to RM98,623,917 by way of:

(a) an issue of 11,532,960 new ordinary shares of RM1.00 each arising from the conversion of RM19,606,048 nominal value of 4%, 5-year ICULS at the conversion price of RM1.70 per ordinary share;

(b) an issue of 3,981,334 new ordinary shares of RM1.00 each at an exercise price of RM1.49 per ordinary share for cash pursuant to the Executive Share Option Scheme of the Company; and

(c) an issue of 99 new ordinary shares of RM1.00 each at an exercise price of RM1.70 per ordinary share arising from the exercise of Warrants.

The resulting premium arising from the shares issued in (a), (b) and (c) of RM6,109,673, RM1,950,854 and RM69 respectively have been credited to the share premium account.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

Under the Company's ESOS which became effective on 08 July 2004, options to subscribe for unissued new ordinary shares of RM1.00 each in the Company were granted to eligible executives including executive directors of the Company and its subsidiary companies. The ESOS has expired on 07 July 2009.

23. SHARE CAPITAL AND TREASURY SHARES (cont'd)

(a) Share Capital (cont'd)

The balance of unissued shares of the Company under options are as follows:

		Number of ordinary shares of RM1.00 each under options			
Exercisable from	Exercise price per ordinary share RM	Balance as at 01.01.2009 RM	Exercised RM	Expired RM	Balance as at 31.12.2009 RM
08.07.2004	1.49	4,001,331	(3,981,334)	(19,997)	-

Details of share options held by the Group's key management personnel during the year are as follows:

	2009 RM	2008 RM
At beginning of year	**3,152,334**	3,152,334
Exercised during the year	**(3,152,334)**	-
At end of year	**-**	3,152,334

(b) Treasury Shares

	Group and Company			
	2009 Number of shares	2008 Number of shares	2009 RM	2008 RM
At beginning of year	**2,801,900**	53,000	**3,066,456**	63,447
Repurchased during the year	**1,859,800**	2,748,900	**2,866,190**	3,003,009
Resold during the year	**(4,661,700)**	-	**(5,932,646)**	-
At end of year	**-**	2,801,900	**-**	3,066,456

The shareholders of the Company, by an ordinary resolution passed at the AGM held on 26 May 2009, renewed the approval for the Company to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Group and of the Company.

During the year, the Company repurchased 1,859,800 (2008: 2,748,900) ordinary shares from the open market of Bursa Malaysia Securities Berhad. The total amount paid for acquisition of shares was RM2,866,190 (2008: RM3,003,009) and has been deducted from equity. The average price paid for the shares repurchased was RM1.55 (2008: RM1.09) per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as Treasury Shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

23. SHARE CAPITAL AND TREASURY SHARES (cont'd)

(b) Treasury Shares (cont'd)

During the year, the Company has also reissued all its 4,661,700 units of the treasury shares by resale in the open market of Bursa Malaysia Securities Berhad for RM7,249,110 to increase the working capital of the Company. Average resale price of the treasury shares was RM1.56 per share. The resulting premium arising from the treasury shares resold of RM1,316,464 has been credited to the share premium account.

As at 31 December 2009, there is no treasury shares held by the Company. The number of ordinary shares of RM1.00 each in issue and fully paid after excluding the Treasury Shares in the prior year was 80,307,624.

The mandate given by the shareholders will expire at the forthcoming AGM and an ordinary resolution will be tabled at the AGM for shareholders to grant a fresh mandate for another year.

24. RESERVES

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Non-distributable reserves:				
Share premium	**22,703,024**	13,325,964	**22,703,024**	13,325,964
Foreign currency translation reserve	**5,008,609**	5,815,758	**-**	-
Capital reserve	**(13,678,301)**	-	**-**	-
Distributable reserve:				
Retained earnings	**22,935,616**	9,843,755	**12,234,477**	12,762,534
	36,968,948	28,985,477	**34,937,501**	26,088,498

Share premium

Share premium arose from the following:

	Group and Company	
	2009 RM	**2008 RM**
Exercise of share options in 2004	**484,120**	484,120
Exercise of warrants and share options in 2005	**9,605,843**	9,605,843
Exercise of share options in 2006	**601,883**	601,883
Exercise of share options in 2007	**96,040**	96,040
Conversion of ICULS in 2008	**2,538,078**	2,538,078
Resale of treasury shares	**1,316,464**	-
Conversion of ICULS in 2009	**6,109,673**	-
Exercise of share options in 2009	**1,950,854**	-
Exercise of Warrants	**69**	-
	22,703,024	13,325,964

24. RESERVES (cont'd)

Foreign currency translation reserve

Exchange differences arising on translation of financial statements of foreign subsidiaries are taken up and reflected in the foreign currency translation reserve account under shareholders' equity. Such exchange differences are recognised as income or expense in the profit or loss, in the period in which the foreign subsidiaries are disposed of.

Capital reserve

Capital reserve represents the excess of the purchase consideration for the acquisition of shares in the subsidiaries from minority shareholders, as mentioned in Note 16, over the share of the identifiable net assets of the subsidiaries at the date of acquisition. The acquisition constitutes a capital transaction with owners, and the excess of purchase consideration over share of net assets of RM13,678,301 is therefore recorded as a capital reserve.

Retained earnings

The Company has not opted to disregard the Section 108 tax credit balance in accordance with the Finance Act, 2007. The Company may utilise the Section 108 tax credit balance which has been frozen as at 31 December 2007 to frank dividend payments during the six-year transitional period. Subject to the agreement of the Inland Revenue Board and based on the prevailing tax rate applicable to dividend, the Company has sufficient Section 108 tax credit and tax-exempt accounts balances to frank dividends out of its entire retained earnings as at 31 December 2009.

25. DIVIDENDS

	Group and Company			
			Net dividend per share	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**sen**	**sen**
First interim dividend paid - 7%, less tax (2008: 5%, tax-exempt)	**4,216,150**	3,971,535	**5.25**	5.00

26. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	Group and Company	
	2009	2008
	RM	RM
At beginning of year	**43,781,173**	51,502,344
Coupon interest paid	**(1,872,819)**	(2,084,245)
Interest expense	**375,738**	526,974
Converted during the year	**(17,518,964)**	(6,163,900)
	24,765,128	43,781,173
Analysed into:		
Equity component	**22,218,032**	37,901,996
Liability component (Note 28)	**2,547,096**	5,879,177

During the financial year, RM19,606,048 (2008: RM6,163,900) nominal value of ICULS have been converted into 11,532,960 (2008: 3,625,822) ordinary shares of RM1.00 each at the conversion price of RM1.70 per ordinary share.

The ICULS and Warrants are governed by a Trust Deed and Deed Poll respectively dated 29 June 2007.

Some of the salient features of the ICULS and Warrants are as follows:

(a) The ICULS carry interest at the rate of 4% per annum and is payable semi-annually on the 30th day of June and 31st day of December each year commencing from 15 August 2007 to maturity date on 14 August 2012;

(b) ICULS holders may convert such amount of the ICULS held into fully paid shares of the Company by tendering RM1.70 nominal value of the ICULS which will entitle the ICULS holders to one (1) fully paid ordinary share of RM1.00 each in the Company;

(c) The conversion price of RM1.70 shall be satisfied solely by the tender of an equivalent amount of ICULS by the ICULS holder for cancellation by the Company and shall not be satisfied wholly or in part by cash;

(d) Shares allotted and issued upon conversion of the ICULS shall rank pari passu in all respects with the then existing ordinary shares of the Company in issue except that they shall not be entitled to any dividends, rights, allotment or other distributions the entitlement date for which is before the date of conversion of the ICULS;

(e) All ICULS remaining unconverted at maturity date will be automatically converted into shares at the conversion price of RM1.70 per ordinary share. A notice of maturity shall be sent to each ICULS holder at least 30 days prior to maturity and the same shall be advertised in at least one local daily newspaper circulating in Malaysia;

(f) Warrant holders are entitled to subscribe for new shares in the Company at any time or from time to time before the maturity date at the exercise price of RM1.70 per share;

26. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (cont'd)

(g) Shares to be issued to Warrant holders upon the subscription of new shares will, upon issue and allotment, be credited as fully paid-up and rank pari passu in all respects with the then existing issued shares of the Company except that they shall not be entitled to any dividends, rights, allotment or other distributions the entitlement date for which is before the subscription date;

(h) Where a Warrant holder exercises its right to subscribe for new shares, the new shares arising from such exercise shall be credited into the Securities Account of the Warrant holder and no share certificates will be issued to the Warrant holder; and

(i) The Warrants may be exercised at any time or before 14 August 2012. Any Warrants which have not been exercised at maturity date will lapse and cease to be valid for any purpose. A notice of maturity shall be sent to each Warrant holders at least 30 days prior to maturity and the same shall be advertised in at least one local daily newspaper circulating in Malaysia.

On issuance of the ICULS which contain both liability and equity element, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument and the Company is using 6.39% per annum as the discounting factor.

Warrants

The total number of Warrants that remain unexercised are as follows:

Balance as at 01 January 2009	26,491,809
Exercise of Warrants	(99)
Balance as at 31 December 2009	26,491,710

27. MEDIUM TERM NOTES

The Company subscribed to a 7-year Medium Term Notes Programme ("MTN Programme") in 2006 to part finance the capital expenditure of its subsidiary companies in China and in Malaysia.

The MTN Programme is secured by a charge over designated accounts opened by the Company as disclosed in Note 22.

28. BORROWINGS

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Secured:				
Term loans	**7,931,550**	8,967,921	**-**	-
Revolving credit	**7,877,558**	4,510,016	**-**	-
Bill payable	**2,185,790**	1,402,784	**-**	-
Unsecured:				
Medium term notes (Note 27)	**43,000,000**	43,000,000	**43,000,000**	43,000,000
Revolving credit	**30,000,000**	30,000,000	**30,000,000**	30,000,000
Bills payable	**9,558,000**	9,316,018	**-**	-
ICULS (liability component) (Note 26)	**2,547,096**	5,879,177	**2,547,096**	5,879,177
Bank overdrafts	**107,170**	187,933	**-**	-
	103,207,164	103,263,849	**75,547,096**	78,879,177
Less: Amount due within 12 months (shown under current liabilities)	**(50,654,311)**	(49,885,729)	**(30,925,793)**	(31,497,082)
Non-current portion	**52,552,853**	53,378,120	**44,621,303**	47,382,095

The non-current portion is repayable as follows:

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
More than 1 year but not later than 2 years	**30,309,898**	3,305,910	**25,984,960**	1,592,760
More than 2 years but not later than 5 years	**22,242,955**	50,072,210	**18,636,343**	45,789,335
	52,552,853	53,378,120	**44,621,303**	47,382,095

Analysis of borrowings by currency:

Group 2009	**Ringgit Malaysia RM**	**United States Dollar RM**	**Chinese Renminbi RM**	**Total RM**
Medium term notes	43,000,000	-	-	43,000,000
Revolving credit	30,000,000	7,877,558	-	37,877,558
Bills payable	9,558,000	-	2,185,790	11,743,790
Term loans	-	-	7,931,550	7,931,550
ICULS (liability component)	2,547,096	-	-	2,547,096
Bank overdrafts	107,170	-	-	107,170
	85,212,266	7,877,558	10,117,340	103,207,164

28. BORROWINGS (cont'd)

Group 2008	**Ringgit Malaysia RM**	**United States Dollar RM**	**Chinese Renminbi RM**	**Total RM**
Medium term notes	43,000,000	-	-	43,000,000
Revolving credit	30,000,000	4,510,016	-	34,510,016
Bills payable	9,316,018	-	1,402,784	10,718,802
Term loans	-	1,734,621	7,233,300	8,967,921
ICULS (liability component)	5,879,177	-	-	5,879,177
Bank overdrafts	187,933	-	-	187,933
	88,383,128	6,244,637	8,636,084	103,263,849

Borrowings of the Company are denominated in Ringgit Malaysia.

The effective interest rates per annum are as follows:

	Group		**Company**	
	2009 %	**2008 %**	**2009 %**	**2008 %**
Medium term notes	**7.50 - 7.70**	7.50 - 7.70	**7.50 - 7.70**	7.50 - 7.70
Revolving credit	**6.50 - 7.75**	7.75	**7.75**	7.75
Bills payable	**3.40 - 4.20**	3.40 - 4.20	**-**	-
Term loans	**5.36 - 11.56**	5.36 - 11.56	**-**	-
ICULS	**6.39**	6.39	**6.39**	6.39
Bank overdrafts	**6.80 - 7.50**	6.80 - 7.50	**-**	-

The Group has three term loans:

(a) a one (1) year term loan of United States Dollar ("USD") USD750,000 (2008: USD750,000) which is repayable by half yearly instalments of USD250,000 each commencing 27 January 2008. This term loan has been fully repaid during the year;

(b) a two (2) year term loan of Chinese Renminbi ("RMB") RMB13,500,000 (2008: RMB15,000,000) which is repayable by four (4) equal quarterly instalments of RMB375,000 commencing 30 August 2008 and sixteen (16) equal quarterly instalments of RMB843,750 commencing 30 August 2009; and

(c) a three (3) year term loan of Chinese Renminbi ("RMB") RMB4,000,000 (2008: RMBNil) which is repayable by twenty nine (29) monthly instalments of RMB130,005 commencing 11 March 2010 and final instalment of RMB230,000.

28. BORROWINGS (cont'd)

As at 31 December 2009, bank facilities of the Group and of the Company are as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
Secured:				
Term loans (USD)	**250,000**	750,000	**-**	-
Term loans (RMB)	**17,500,000**	15,000,000	**-**	-
Revolving credit (USD)	**2,300,000**	1,300,000	**-**	-
Bills payable (RMB)	**5,000,000**	3,000,000	**-**	-
Unsecured:				
Bank overdrafts and other banking facilities (RM)	**131,500,000**	97,000,000	**33,000,000**	33,000,000

Certain term loans and other banking facilities of the Group are secured by a charge over certain factory buildings and short-term leasehold land of subsidiary companies.

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Trade payables	**17,142,022**	9,260,782	**-**	-
Other payables for consumables, utilities, services, maintenance of property, plant and equipment and advances received	**10,541,286**	15,727,989	**42,524**	43,746
Amount payable to vendors for acquisition of additional shares in subsidiaries	**12,000,000**	-	**12,000,000**	-
	39,683,308	24,988,771	**12,042,524**	43,746
Less: Amount due within 12 months (shown under current liabilities)	**(30,083,308)**	(24,988,771)	**(2,442,524)**	(43,746)
Non-current portion	**9,600,000**	-	**9,600,000**	-

29. TRADE AND OTHER PAYABLES (cont'd)

The non-current portion of the amount payable to vendors for the acquisition of the additional shares in subsidiary companies is repayable as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
More than one year but not later than two years	**2,400,000**	-	**2,400,000**	-
More than two years but not later than five years	**7,200,000**	-	**7,200,000**	-
	9,600,000	-	**9,600,000**	-

The currency profile of trade and other payables are as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia	**19,967,495**	14,235,784	**12,042,524**	43,746
Chinese Renminbi	**10,980,039**	6,268,638	**-**	-
United States Dollar	**6,207,576**	1,877,378	**-**	-
Euro Dollar	**700,535**	1,639,078	**-**	-
Hong Kong Dollar	**1,817,723**	951,457	**-**	-
Sterling Pound	**9,940**	16,436	**-**	-
	39,683,308	24,988,771	**12,042,524**	43,746

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group for trade purchases ranged from 30 to 60 days (2008: 30 to 60 days).

Included in other payables of the Group is an amount of RM4,307,951 (2008: RM4,018,941) representing amount payable for purchase of property, plant and equipment by the subsidiaries in the People's Republic of China.

The amounts owing to other payables are unsecured, interest-free and repayable on demand.

Transactions with related parties are disclosed in Note 20.

30. FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(a) Financial Risk Management Objectives

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, market risk, liquidity risk and cash flow risk. The principal objective of the Group and of the Company is to minimise their exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

(i) Foreign currency risk

The Group transacts business in various foreign currencies, including the United States Dollar, Euro Dollar, Sterling Pound and Swiss Franc and therefore, is exposed to foreign exchange risk. The Group uses forward contracts to hedge its exposure to foreign currency risk on foreign receipts.

The carrying amounts of the foreign currency denominated monetary assets of the Group at the balance sheet date are disclosed in Notes 19, 20, 22, 28 and 29.

Foreign currency forward contracts

Foreign currency forward contracts are entered into by the Group to limit its exposure to fluctuations in foreign currency exchange rates on foreign receipts.

The following table details the foreign currency forward contracts outstanding as at balance sheet date:

	Average Exchange Rate per unit of Ringgit Malaysia	Currency to be received	Currency to be paid	RM equivalent	Fair value
Hedge item					
As at 31 December 2009					
Trade receivables:					
USD2,909,152	0.2901	Ringgit Malaysia	United States Dollar	10,026,974	9,963,846
Future sale of goods over the following 4 months:					
USD2,500,044	0.2901	Ringgit Malaysia	United States Dollar	8,616,788	8,562,651
Amount owing by a subsidiary company - Trade sales:					
Euro4,053,505	0.1979	Ringgit Malaysia	Euro Dollar	20,486,263	20,005,669

30. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management Objectives (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency forward contracts (cont'd)

	Average Exchange Rate per unit of Ringgit Malaysia	Currency to be received	Currency to be paid	RM equivalent	Fair value
Hedge item					
As at 31 December 2008					
Trade receivables: USD2,481,012	0.2840	Ringgit Malaysia	United States Dollar	8,735,278	8,584,302
Future sale of goods over the following 5 months: USD6,180,651	0.2840	Ringgit Malaysia	United States Dollar	21,761,164	21,385,050
Amount owing by a subsidiary company - Trade sales: Euro4,797,999	0.2593	Ringgit Malaysia	Euro Dollar	18,503,715	19,225,675

The above contracts mature within two to four months of the balance sheet date.

(ii) Interest rate risk

The Group finances its operations by a mixture of internal funds and bank and other borrowings. The Group regularly reviews the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

30. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management Objectives (cont'd)

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure of the Group and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables and, where appropriate, credit guarantee insurance cover is purchased.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure of the Group to credit risk.

(iv) Market risk

The Group is exposed to price fluctuation risk on commodities mainly rubber. The Group mitigates its risk to the price volatility through hedging in futures market.

The following table details the commodity contracts outstanding as at balance sheet date:

	Contracted amount		Fair Value	
	2009 RM	2008 RM	2009 RM	2008 RM
Commodity contracts	-	1,990,820	-	1,278,080

The net deferred loss arising on the above contracts as at 31 December 2008 of approximately RM461,278 was recognised in the underlying transactions within the next three months.

(v) Liquidity and cash flow risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity management requirements of the Group. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

30. FINANCIAL INSTRUMENTS (cont'd)

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

(c) Financial Instruments

Financial Assets

The principal financial assets of the Group are fixed deposits, cash and bank balances and trade and other receivables.

The principal financial assets of the Company are fixed deposits, cash and bank balances, other receivables and amount owing by subsidiary companies.

The accounting policies applicable to the major financial assets are as disclosed in Note 3.

Financial Liabilities

The principal financial liabilities of the Group are trade and other payables and borrowings.

The principal financial liabilities of the Company are other payables and borrowings.

Borrowings are recorded at proceeds received net of direct issue costs. Finance charges are accounted for on accrual basis.

(d) Fair Values of Financial Instruments

The carrying amounts and the estimated fair values of the financial instruments of the Group and of the Company as at 31 December 2009 are as follows:

		Group and Company			
		2009		2008	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities					
Other payables - amount payable to vendors for acquisition of additional shares in subsidiaries	29	**12,000,000**	**12,295,383**	-	-

30. FINANCIAL INSTRUMENTS (cont'd)

(d) Fair Values of Financial Instruments (cont'd)

Cash and cash equivalents, trade and other receivables, trade and other payables and short-term borrowings

The carrying amounts of the short-term financial assets and liabilities approximate their fair values due to the short-term maturities of these instruments.

Term loans

The fair values of term loans are estimated using discounted cash flow analysis based on the current borrowing rates for similar types of term loan arrangements. There is no material difference between the carrying amounts and the estimated fair values of the term loans.

Other payables (non-current portion)

The fair values of other payables (non-current portion) are estimated using discounted cash flow analysis based on the weighted average cost of capital of the Group.

Foreign currency forward contracts and commodity contracts

The fair values of foreign currency forward contracts and commodity contracts, disclosed respectively in Note 30(a)(i) and Note 30(a)(iv) above, are calculated by reference to the current rates for contracts with similar maturity profile.

31. CASH FLOW STATEMENTS

(a) Purchase of property, plant and equipment

The details of additions to property, plant and equipment were as follows:

	Group	
	2009	**2008**
	RM	**RM**
Cash purchase	**32,351,214**	34,263,029
Interest capitalised in capital work-in progress	**-**	81,282
	32,351,214	34,344,311

31. CASH FLOW STATEMENTS (cont'd)

(b) Cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the cash flow statements can be reconciled to the related items in the balance sheets as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Fixed deposits	**275,000**	300,000	**275,000**	300,000
MTN Debt Service Reserve Account	**497,750**	442,715	**497,750**	442,715
MTN Disbursement Account	**26,401**	26,401	**26,401**	26,401
Cash and other bank balances	**17,363,000**	25,007,217	**986,132**	1,298,067
Bank overdrafts	**(107,170)**	(187,933)	**-**	-
	18,054,981	25,588,400	**1,785,283**	2,067,183
Less:				
Fixed deposits pledged to bank	**(275,000)**	(300,000)	**(275,000)**	(300,000)
MTN Debt Service Reserve Account charged to Malaysian Trustees Berhad	**(497,750)**	(442,715)	**(497,750)**	(442,715)
MTN Disbursement Account charged to Malaysian Trustees Berhad	**(26,401)**	(26,401)	**(26,401)**	(26,401)
	17,255,830	24,819,284	**986,132**	1,298,067

32. CAPITAL COMMITMENTS

As at 31 December 2009, the Group has the following capital expenditure in respect of property, plant and equipment:

	Group	
	2009 RM	2008 RM
Capital expenditure:		
Approved and contracted for	**7,732,685**	6,136,800

33. PROFIT GUARANTEE

On 08 June 2009, the Company entered into Sale and Purchase Agreements with the Vendors of Pioneer Vantage Limited ("PVL"), Lifestyle Investment (Hong Kong) Limited ("LHK") and Rubberex (Hong Kong) Limited ("RHK") for the purchase of remaining 40% equity interest in PVL and LHK and additional 20% equity interest in RHK. The salient terms of the Sale and Purchase Agreements are as follows:

(i) The Vendors and the Company collectively are in agreement that based on the management accounts as at 30 April 2009, the expected aggregate Profit After Tax ("PAT") of China Operations (comprise PVL, LHK, RHK, LPL (Hui Zhou) Glove Co. Ltd. and Lifestyle Safety Products (Hui Zhou) Co. Ltd.) for the financial year ending 31 December 2009 is RM20,000,000;

(ii) The Vendors irrevocably undertake that in the event that China Operations suffer in aggregate a PAT of less than RM20,000,000 in any of the financial years from 2010 to 2014, the Vendors shall bear the share of ten percent (10%) of the shortfall in PAT in each of the relevant years. Conversely, in the event that China Operations attain in aggregate a PAT in excess of RM20,000,000 in each of the relevant years, the Vendors shall be entitled to share ten percent (10%) of the excess in PAT in each of the relevant years provided always that the share of excess shall not exceed twice of the Guaranteed Retention Amount ("GRA") held for each of the relevant years by the Company. GRA to be held by the Company for each of the relevant years is RM2,400,000; and

(iii) In order to give full effect to the undertaking by the Vendors to the Company, the Company shall retain the aggregate sum of RM12,000,000 being fifty percent (50%) of the total purchase consideration as GRA for the financial years 2010 to 2014, as disclosed in Note 29.

34. SUBSEQUENT EVENTS

Subsequent to the financial year end, the following events took place:

(a) an interim dividend of 6%, tax-exempt, amounting to RM5,917,435 was paid on 22 January 2010 in respect of financial year ending 31 December 2010;

(b) subdivision of the existing ordinary shares of RM1.00 each fully paid-up in the capital of the Company into two ordinary shares of RM0.50 each credited as fully paid and the alteration of the authorised share capital of the Company which was made up of 200,000,000 ordinary shares of RM1.00 each into 400,000,000 ordinary shares of RM0.50 each; and

(c) the number and exercise/conversion price of the Warrants and ICULS are amended pursuant to the share split of the Company in accordance with the provisions of the Deed Poll and the Trust Deed respectively, as follows:

    (i) number of Warrants increased by 26,491,809 to 52,983,618;

    (ii) exercise price of Warrants adjusted from RM1.70 per Warrant to RM0.85 per Warrant; and

    (iii) conversion price of ICULS adjusted from RM1.70 per ICULS to RM0.85 per ICULS.

35. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been restated to conform with current year's presentation.

	Group	
	As previously reported RM	As restated RM
For the financial year ended 31 December 2008		
Income Statements		
Changes in inventories of finished goods, trading goods and work-in-progress	6,120,334	5,919,696
Raw materials and consumables used	(150,326,865)	(163,964,391)
Other expenses	(47,768,174)	(33,930,010)

Statement by Directors

The directors of RUBBEREX CORPORATION (M) BERHAD state that, in their opinion, the accompanying balance sheets and the related statements of income, changes in equity and cash flows are drawn up in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

PING KOK KOH

DATO' MOHAMED BIN HAMZAH

Ipoh,
23 March 2010

Declaration by the Officer

Primarily Responsible for the Financial Management of the Company

I, KHOO CHIN LENG, the officer primarily responsible for the financial management of RUBBEREX CORPORATION (M) BERHAD, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, changes in equity and cash flows are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

KHOO CHIN LENG

Subscribed and solemnly declared by the abovenamed
KHOO CHIN LENG at **IPOH** this 23rd day of March, 2010.

Before me,

Mohd. Yusof bin Harun, PJK, PNPBB, KPP
(A112)
COMMISSIONER FOR OATHS

Properties Held By The Company And Its Subsidiaries
as at 31 December 2009

Location	Tenure/ Expiry date	Description of existing use	Land area (sq. m)	Date of Acquisition/ [Revaluation]	Age (years)/ Carrying amount (RM'000)
Lot 138201, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Freehold/-	Manufacturing, warehouse and office	37,258	[1996]	15.5/3,520
PT 218274, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Leasehold (60 years)/ 23 April 2055	Manufacturing, warehouse and office	32,382	1999	11.0/1,229
PT 218274, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Leasehold (99 years)/ 23 December 2106	Manufacturing, warehouse and office	12,140	2007	2.0/252
Plot 010169, 010170 Daxiotang Village, Luoyang Town, Buluo County, Huizhou City, Guangdong Province, People's Republic of China.	Leasehold (50 years)/ 29 November 2056	Manufacturing, warehouse and office	104,597	2006	4.0/8,370
Plot 010984 Daxiotang Village, Luoyang Town, Buluo County, Huizhou City, Guangdong Province, People's Republic of China.	Leasehold (50 years)/ 29 June 2055	Manufacturing, warehouse and office	41,145	2007	3.0/4,576
Factory buildings located at Lot 138201, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	-	Manufacturing, warehouse and office	12,620	[1996]	15.5/3,817
Factory buildings located at PT 218274, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	-	Manufacturing, warehouse and office	10,860	1999	11.0/5,104
Factory buildings located at Daxiotang Village, Luoyang Town, Buluo County, Huizhou City, Guangdong Province, People's Republic of China.	-	Manufacturing, warehouse and office	19,685	2006	4.0/30,047

Form of Proxy

I/We ____

of ____

____

being a Member/Members of the abovenamed Company, hereby appoint

____

of ____

____

or failing him, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Kinta Room, First Floor, Impiana Hotel, 18, Jalan Raja Dr. Nazrin Shah, 30250 Ipoh, Perak Darul Ridzuan on Thursday, 27 May 2010 at 10:00 a.m. and at any adjournment thereof in respect of my/our holding of shares in the manner indicated below:-

My/our proxy is to vote as indicated below:

Resolution		For	Against
1.	Adoption of Audited Financial Statements for the financial year ended 31 December 2009		
2.	To approve the payment of Directors' fees		
3.	Re-election of Director – Dato' Mohamed bin Hamzah		
4.	Re-election of Director – Yap Jek Nan		
5.	To appoint Auditors and to authorise the Directors to fix their remuneration		
6.	As Special Business – Ordinary Resolution on Proposed Renewal of Authority for RUBBEREX CORPORATION (M) BERHAD to purchase its own ordinary shares of RM0.50 each representing up to 10% of the issued and paid-up share capital of the Company		

(Please indicate with a cross (x) in the space provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit)

No. of Shares held

____

Signature of Shareholder
or Common Seal

Dated this ________ day of ____________ 2010

Note:
A member of the Company entitled to attend and vote at the above-mentioned Meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy must be deposited at the Company's registered office at 41,Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak Darul Ridzuan not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

Please fold along this line (1)

AFFIX STAMP

The Company Secretary
RUBBEREX CORPORATION (M) BERHAD
41, Jalan Medan Ipoh 6
Bandar Baru Medan Ipoh,
31400 Ipoh,
Perak Darul Ridzuan, Malaysia.

Please fold along this line (2)

Rubberex Corporation (M) Berhad (372642-U)
Lot 138201, Off 3/4 Mile, Jalan Bercham
Kawasan Perindustrian Bercham
31400 Ipoh, Perak Darul Ridzuan, Malaysia.