ANNUAL REPORT 2010

Rubberex Corporation (M) Berhad

(Company No: 372642-U)

CONTENTS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of Rubberex Corporation (M) Berhad will be held at 10:00 a.m. on Friday, 27 May 2011 at Bonzai A – Level 4, Syuen Hotel Ipoh, 88 Jalan Sultan Abdul Jalil, Greentown 30300 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 2010 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) Mr. Ping Kok Koh **(Resolution 3)**
   (ii) Mr. Poh Choo Lim **(Resolution 4)**

4. To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

   "THAT Dato' Mohamed Bin Hamzah, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 5)**

5. To appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. 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 7)**

7. **Special Resolution**
Proposed Amendment to the Articles of Association of the Company

To consider and if thought fit, passing with or without modifications the following resolution as Special Resolution:-

"THAT the existing Article 145 be deleted in its entirety and that the following new Article 145 be adopted:-

New Article 145

Subject to the provision of the Act, the Central Depositories Act and the Rules, any dividend, interest or other money payable in cash by the Company in respect of a share may be paid by cheque or warrant and sent by post addressed to the holder at his registered address or by direct electronic or other methods of funds transfer to the bank account of the holder as it appears in the Register or Record of Depositors or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or banker's draft or direct electronic transfer shall operate as a good and full discharge to the Company in respect of the dividend represented thereby notwithstanding that it may subsequently appear that such cheque or warrant or banker's draft has been stolen or that the endorsement thereon has been forged or in the case of direct electronic transfer, there is discrepancy given by the member in the details of the bank account(s). Every such cheque or warrant or banker's draft or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented." **(Resolution 8)**

8. 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
3 May 2011

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.

Explanatory Notes:

1. 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 3 May 2011, which is dispatched together with the Company's Annual Report 2010.

2. Special Resolution
Proposed Amendment to the Articles of Association of the Company

That Article 145 of the Company's Articles of Association be amended in line with the amendments in the Listing Requirements of Bursa Malaysia Securities Berhad in relation to e-Dividend and that the said Article shall read as follow:-

New Article 145

Subject to the provision of the Act, the Central Depositories Act and the Rules, any dividend, interest or other money payable in cash by the Company in respect of a share may be paid by cheque or warrant and sent by post addressed to the holder at his registered address or by direct electronic or other methods of funds transfer to the bank account of the holder as it appears in the Register or Record of Depositors or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or banker's draft or direct electronic transfer shall operate as a good and full discharge to the Company in respect of the dividend represented thereby notwithstanding that it may subsequently appear that such cheque or warrant or banker's draft has been stolen or that the endorsement thereon has been forged or in the case of direct electronic transfer, there is discrepancy given by the member in the details of the bank account(s). Every such cheque or warrant or banker's draft or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.

Statement Accompanying
The Notice of Annual General Meeting

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

(i) Ping Kok Koh (retiring pursuant to Article 91 of the Articles of Association of the Company);
(ii) Poh Choo Lim (retiring pursuant to Article 91 of the Articles of Association of the Company); and
(iii) Dato' Mohamed bin Hamzah (retiring pursuant to Section 129 of the Companies Act, 1965)

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

Four Board Meetings were held during the financial year from 01 January 2010 to 31 December 2010. Details of attendance of Directors at Board Meetings are stated in the Statement of Corporate Governance on page 13 of the Annual Report.

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

The Fifteenth Annual General Meeting of the Company will be held at 10:00 a.m. on Friday, 27 May 2011 at Bonzai A – Level 4, Syuen Hotel Ipoh, 88 Jalan Sultan Abdul Jalil, Greentown, 30300 Ipoh, Perak Darul Ridzuan.

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

Please refer to page 7 of the Annual Report.

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

The Company:-
Please refer to page 20 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
Hong Leong Bank Berhad
OCBC Bank (Malaysia) Berhad
Asian Finance Bank Berhad
HSBC Bank (China) Limited
China Construction Bank Limited
United Overseas Bank (China) Limited

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
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 70, 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 58, 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 63, 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 60, 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.

Mr. Yap Jek Nan, aged 45, 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 61, 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 65, 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 53, 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 2010.

Fiscal stimulus packages implemented in 2009 and 2010 by major economies like the U.S., China, Japan, U.K. and the Euro zone had driven global improvement in the demand for goods and services. However, 2010 was also regarded as a year of rising commodities prices as a result of this move. The Group's products, of which more than 99% are for export markets, achieved increased revenue in 2010. However, rising costs of input materials especially raw latex had impacted negatively on our profit margins where latex bulk price rose tremendously by 61% from an average of RM5.87 per kilogram at end-2009 to RM9.44 per kilogram at end-2010.

In China, where the Group's vinyl gloves production facility is located, inflationary pressures had forced input materials to rise as well. PVC resin and plasticizer, the major input components rose by more than 27% in 2010 as compared to the previous year. The minimum wage policy implemented by the Chinese Government had also exerted additional pressure on product costs. The Ringgit and Chinese Yuan appreciation against the Group's major trading currencies such as the U.S. Dollar and Euro during the financial year compounded the difficulties and further eroded our products' margins profit.

Financial Results

Group performance for the year under the above circumstances could be regarded as satisfactory. Our operating profit before finance costs, depreciation, amortisation and taxes decreased by 23% from RM46.6 million in 2009 to RM35.8 million in 2010. However, liquidity was adequate and our net cash position remained strong with a balance of RM34.8 million as at 31 December 2010.

The Group achieved a sales turnover of RM343.3 million in 2010 compared to RM317.6 million in 2009. This represented an increase of 8%, which we attributed to higher demand of gloves by consumers and healthcare professionals in their quest for improving hygiene and safety standards. Our household and industrial glove segments performed exceptionally well in this regard where higher volumes and better prices were achieved; sales turnover in these two segments alone improved by 34% from RM89.6 million in 2009 to RM120.3 million in the financial year just ended.

However, recovering European markets and a temporary over-supply of disposable gloves in the market had impacted on our China operations where sales of our vinyl gloves saw a decline for the first time, recording a turnover of RM192.1 million in 2010 versus RM199.6 million in the previous year. Nevertheless, the vinyl disposable glove segment remains our dominant sales and earnings contributor.

Group pretax profits declined from RM23.3 million in 2009 to RM10.2 million, a significant decrease as we faced unprecedented upward surges in raw material costs, particularly natural rubber and plastic resin. The Ringgit's growing strength in 2010 also impacted on our bottom line where it recovered from an average of RM3.52 per USD in 2009 to RM3.13 per USD in 2010. Consequently, group profit after tax attributable to shareholders fell from RM17.3 million in 2009 to RM6.6 million for the financial year 2010.

Dividends

The Board will continue with its policy of paying dividends as long as Group performance is satisfactory. The first interim dividend of 6 sen tax-exempt (nominal value of RM1.00 each) in respect of the financial year just ended was paid on 22 January 2010. The Company also paid another dividend of 2.5 sen less tax (nominal value of RM0.50 each) in January 2011 in respect of financial year 2011.

Future prospects

With the latest economic indicators showing the U.S. economy on the path of recovery, global markets resurgence is also becoming more eminent. Since more than 99% of the Group’s products are exported, with the U.S. and Euro zone being our major markets, overall sales revenue for the Group is expected to grow in 2011.

The operating conditions for this year remain very challenging. With crude oil exceeding USD100 per barrel, inflationary pressures are mounting. Raw materials prices such as bulk latex, PVC resin and plasticizer are expected to remain high. In China, where our PVC gloves production facility is located, the strong GDP has resulted in an alarmingly high CPI index. Workers’ minimum wage, energy cost and other input materials are on the rise annually. All these factors are tough on manufacturers with a presence in China.

Despite the above, the management is continuously implementing cost savings measures through automation and energy savings and these have yielded encouraging results so far by lowering our product costs substantially. The Group’s price adjustment mechanism has also successfully played a part in helping to pass on increased costs to customers via higher product pricing. We remain optimistic as overall, the glove industry is very resilient and global demand for gloves will continue to expand.

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.

Terms of Reference of the Audit Committee (cont'd)

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

Four audit committee meetings were held during the financial year ended 31 December 2010. The attendance record of each member is as follows:-

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

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 2010, 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 2010. 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	4/4
Poh Choo Lim	4/4
Yap Jek Nan	3/4
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 2010 are as follows:-

1. Aggregate remuneration of directors categorised into appropriate components:

	Emoluments RM	**Fees RM**	**Total RM**
Executive Directors	398,480	-	398,480
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
RM350,001 to RM400,000	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 communicating 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 RM120,000.

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 90,000 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
June	50,000	1.01	1.01	1.02	50,778
November	40,000	0.86	0.85	0.86	34,289
	90,000	1.01	0.85	0.95	85,067

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

There was no resale of Treasury shares during the year.

Options, Warrants and Convertible Securities

During the financial year, the Company increased its issued and fully paid-up ordinary share capital from RM98,623,917 to RM101,077,894 by way of:

(a) an issue of 1,824,535 new ordinary shares of RM1.00 each arising from the conversion of 3,101,720 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 1,254,884 new ordinary shares of RM0.50 each arising from the conversion of 1,066,658 nominal value of 4%, 5-year irredeemable convertible unsecured loan stocks ("ICULS") at the conversion price of RM0.85 per ordinary share;
(c) an issue of 1,000 new ordinary shares of RM1.00 each at an exercise price of RM1.70 per ordinary share arising from the exercise of Warrants; and
(d) an issue of 2,000 new ordinary shares of RM0.50 each at an exercise price of RM0.85 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 2010 and unaudited results previously released on 28 February 2011.

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 2010.

Revaluation Policy on landed properties

There was no revaluation of landed properties during the financial year ended 31 December 2010.

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 2010.

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 24 March 2011

Authorised Share Capital	:	RM200,000,000
Issued and Paid up Capital	:	RM101,095,541
Treasury Shares	:	90,000
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 24 MARCH 2011

Size of Shareholdings as at 24 March 2011 (excluding 90,000 treasury shares)	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	135	2.20	7,137	0.00
100 – 1,000	369	6.01	219,091	0.11
1,001 – 10,000	3,982	64.90	20,786,248	10.29
10,001 – 100,000	1,500	24.45	43,587,247	21.57
100,001 to less than 5% of issued shares	148	2.41	86,786,941	42.94
5% and above of issued shares	2	0.03	50,714,418	25.09
Total	6,136	100.00	202,101,082	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR ORDINARY SHARES

No.	Names	Shares	%
1	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Med-Bumikar Mara Sdn Bhd (PIVB)	26,666,668	13.19
2	Duvest Holdings Sdn Bhd	24,047,750	11.90
3	Med-Bumikar Mara Sdn Bhd	8,667,332	4.29
4	Teng Cheng Bon @ Teng Kim Tee	6,889,184	3.41
5	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Aun Huat & Brothers Sdn Bhd (E-IMO/BCM)	6,000,000	2.97
6	Aun Huat & Brothers Sdn Bhd	4,996,668	2.47
7	Diamond Silk International Sdn Bhd	4,251,900	2.10
8	Aun Huat & Brothers Sdn Bhd	3,809,522	1.88
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	1.45
11	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Sharifuddin bin Shoib (041004)	2,164,542	1.07
12	ECML Nominees (Tempatan) Sdn Bhd – Ping Kok Koh (PCS)	1,813,334	0.90
13	Tok Peck Hong	1,570,334	0.78
14	Chen Song Wie	1,413,500	0.70
15	World First Harvest Sdn Bhd	1,370,800	0.68
16	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Liew Yam Fee	1,320,000	0.65
17	Yap Siew Chin	1,299,200	0.64
18	Voo Suan See	1,213,466	0.60

Statement of Shareholdings
as at 24 March 2011 (cont'd)

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

No.	Names	Shares	%
19	Ong Suan Kim	1,089,964	0.54
20	Voon Chong Kian	1,000,000	0.50
21	Teng Cheng Bon @ Teng Kim Tee	988,826	0.49
22	Wong Kit Peng	924,600	0.46
23	Sabri bin Abd Hamid	858,900	0.42
24	Mohamed bin Hamzah	848,135	0.42
25	Rampai Dedikasi Sdn Bhd	800,000	0.40
26	Woi Yoon Kim	675,134	0.33
27	Life Enterprise Sdn Bhd	599,000	0.30
28	Goh Mooi Huan	555,034	0.27
29	Cimsec Nominees (Tempatan) Sdn Bhd – CIMB Bank for Chin Jow Foong (MH0580)	516,000	0.26
30	Shum Yoke Chee	501,406	0.25
	Total	113,215,541	56.02

SUBSTANTIAL SHAREHOLDERS AS AT 24 MARCH 2011
ORDINARY SHARES OF RM0.50 EACH

	No. of shares held			
	Direct	**%**	**Indirect**	**%**
Med-Bumikar Mara Sdn Bhd	35,334,000	17.48	-	-
Duvest Holdings Sdn Bhd	24,047,750	11.90	-	-
Teng Cheng Bon @ Teng Kim Tee	7,878,010	3.90	24,047,750	11.90 *
Aun Huat & Brothers Sdn Bhd	14,848,992	7.35	-	-
Ping Kok Koh	-	-	33,097,560	16.38 \\
Sharifuddin bin Shoib	54,114	0.03	26,212,292	12.97 **
Poh Chee Meng @ Fook Fatt	52,000	0.03	15,124,192	7.48 ^
P & F Holdings Sdn Bhd	370,666	0.18	14,848,992	7.35 ++
Poh Cheong Meng & Sons Sdn Bhd	370,666	0.18	14,848,992	7.35 ++
Poh Yin Hoe & Sons Holding Sdn Bhd	-	-	14,848,992	7.35 ++
Poh Chee Meng & Sons Holdings Sdn Bhd	275,200	0.14	14,848,992	7.35 ++

* 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 24 March 2011 (cont'd)

DIRECTORS' INTERESTS AS AT 24 MARCH 2011
ORDINARY SHARES OF RM0.50 EACH

	No. of shares held			
	Direct	**%**	**Indirect**	**%**
Dato' Mohamed bin Hamzah	848,135	0.42	153,505	0.08
Ping Kok Koh	-	-	33,097,560	16.38
Yap Jek Nan	-	-	-	-
Sharifuddin bin Shoib	54,114	0.03	26,212,292	12.97
Mustapha bin Mohamed	-	-	-	-
Poh Choo Lim	110,000	0.05	-	-
Dato' Abdul Rahim bin Abdul Halim	-	-	-	-
Voon Chong Kian (Alternate Director)	1,000,314	0.49	-	-

Total Irredeemable Convertible Unsecured Loan Stocks (ICULS) 2007/2012	:	RM23,016,060
Coupon payment	:	4% p.a.
Class of Securities	:	Loan Stocks 2007/2012

DISTRIBUTION OF ICULS HOLDERS AS AT 24 MARCH 2011

Size of Shareholdings as at 24 March 2011	No. of Holders	% of Holders	No. of ICULS	% of ICULS
Less than 100	43	5.23	1,902	0.01
100 – 1,000	99	12.06	81,488	0.35
1,001 – 10,000	571	69.55	2,098,076	9.12
10,001 – 100,000	93	11.33	2,567,353	11.15
100,001 to less than 5% of issued ICULS	10	1.22	1,743,713	7.58
5% and above of issued ICULS	5	0.61	16,523,528	71.79
Total	821	100.00	23,016,060	100.00

Statement of Shareholdings
as at 24 March 2011 (cont'd)

31 LARGEST SECURITIES ACCOUNT HOLDERS FOR ICULS

No.	Names	ICULS	%
1	Med-Bumikar Mara Sdn Bhd	6,643,688	28.86
2	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Med-Bumikar Mara Sdn Bhd (PIVB)	4,444,444	19.31
3	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Aun Huat & Brothers Sdn Bhd (E-IMO/BCM)	2,000,000	8.69
4	Aun Huat & Brothers Sdn Bhd	1,769,840	7.69
5	Aun Huat & Brothers Sdn Bhd	1,665,556	7.24
6	Rampai Dedikasi Sdn Bhd	250,000	1.09
7	Chong Gek Kin @ Choong Yuk Kim	229,190	1.00
8	Ho Kim Chai	228,000	0.99
9	Koh Boon Chor	215,002	0.93
10	Shum Yoke Chee	189,000	0.82
11	Mayban Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kim Tak	167,966	0.73
12	Poh Cheong Meng & Sons Sdn Bhd	123,555	0.54
13	Yeo King Kang	120,000	0.52
14	Yayasan Teratai	114,000	0.49
15	Onn Ping Lan	107,000	0.46
16	Eu Mui @ Ee Soo Mei	96,200	0.42
17	Poh Chee Meng & Sons Holdings Sdn Bhd	91,733	0.40
18	Chan Foong Ling	90,133	0.39
19	Meng Hin Holdings Sdn Bhd	90,000	0.39
20	Ee Boon Kin	80,000	0.35
21	Ong Sek Chuan	73,500	0.32
22	Chu Lai Eang	70,000	0.30
23	Thain Swee Eng	67,200	0.29
24	Denver Corporation Sdn Bhd	67,000	0.29
25	Goh Siew Cheng	63,378	0.28
26	Tan Paik Sim @ Tan Phaik Im	51,800	0.23
27	Chan Heng Koon	45,000	0.20
28	Kema Development Sdn Bhd	41,066	0.18
29	Kuan Kok Heng	40,500	0.18
30	Foo Siew Yoong	40,000	0.17
31	Khor Chai Moi	40,000	0.17
	Total	19,314,751	83.92

Statement of Shareholdings
as at 24 March 2011 (cont'd)

SUBSTANTIAL ICULS HOLDERS AS AT 24 MARCH 2011

	No. of ICULS held			
	Direct	**%**	**Indirect**	**%**
Med-Bumikar Mara Sdn Bhd	11,088,132	48.18	-	-
Aun Huat & Brothers Sdn Bhd	5,449,663	23.68	-	-
Poh Chee Meng @ Fook Fatt	-	-	5,541,396	24.08 ^
P & F Holdings Sdn Bhd	-	-	5,449,663	23.68 ++
Poh Cheong Meng & Sons Sdn Bhd	123,555	0.54	5,449,663	23.68 ++
Poh Yin Hoe & Sons Holding Sdn Bhd	-	-	5,449,663	23.68 ++
Poh Chee Meng & Sons Holdings Sdn Bhd	91,733	0.40	5,449,663	23.68 ++

^ 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 24 MARCH 2011

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

Statement of Shareholdings
as at 24 March 2011 (cont'd)

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

DISTRIBUTION OF WARRANTS HOLDERS AS AT 24 MARCH 2011

Size of Shareholdings as at 24 March 2011	No. of Holders	% of Holders	No. of Warrants	% of Warrants
Less than 100	55	3.24	2,823	0.01
100 – 1,000	134	7.89	88,687	0.17
1,001 – 10,000	917	54.00	4,782,182	9.02
10,001 – 100,000	552	32.51	17,545,480	33.12
100,001 to less than 5% of issued Warrants	37	2.18	14,355,050	27.09
5% and above of issued Warrants	3	0.18	16,205,198	30.59
Total	1,698	100.00	52,979,420	100.00

32 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)	1,000,000	1.89
8	Chan Chow Yuin	800,000	1.51
9	Chew Han Ngin	600,000	1.13
10	Soo Ai Wah	575,000	1.09
11	A.A. Anthony Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Chew Han Ngin	500,000	0.95
12	Tai Choon Min	500,000	0.94
13	Tong Kwang Lock	303,400	0.57
14	M.I.T. Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Success Secrets Sdn Bhd (MG0179-192)	300,000	0.57
15	Wong Sook Wai	300,000	0.57
16	Chia Sia Tick @ Chua Sia Tick	270,000	0.51
17	Norhazimah binti Mohammed Azmi	258,700	0.49
18	Foo Chooi Wan	255,000	0.48
19	Chiong Kin Peng	220,000	0.42
20	Ng Poh Hwa	206,900	0.39

Statement of Shareholdings
as at 24 March 2011 (cont'd)

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

No.	Name	Warrants	%
21	Khoo Chin Leng	200,000	0.38
22	Othman bin Merican	200,000	0.38
23	Tan See Seng	200,000	0.38
24	JF Apex Nominee (Tempatan) Sdn Bhd – Pledged Securities Account for Wang Chong Seng (Margin)	180,000	0.34
25	Ong Suan Kim	180,000	0.34
26	Mohd Parid bin Sulaiman	168,100	0.32
27	Khalic bin Abdul Hamid	150,000	0.28
28	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Gan Bee Na (E-SGM)	150,000	0.28
29	Goh Mooi Huan	145,000	0.27
30	Gan Bee Na	140,000	0.26
31	Lee Cheong Meng	140,000	0.26
32	Lim Weng Tai	140,000	0.26
	Total	29,598,694	55.87

SUBSTANTIAL WARRANTS HOLDERS AS AT 24 MARCH 2011

	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	-	-	5,127,066	9.68 \\
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

DIRECTORS' INTERESTS FOR WARRANTS AS AT 24 MARCH 2011

	No. of Warrants held			
	Direct	%	Indirect	%
Dato' Mohamed bin Hamzah	-	-	-	-
Ping Kok Koh	-	-	5,127,066	9.68
Yap Jek Nan	-	-	-	-
Sharifuddin bin Shoib	-	-	5,117,066	9.66
Mustapha bin Mohamed	-	-	-	-
Poh Choo Lim	-	-	-	-
Dato' Abdul Rahim bin Abdul Halim	-	-	-	-
Voon Chong Kian (Alternate Director)	132	0.00	-	-

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 December 31, 2010.

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:

	The Group RM	The Company RM
Profit/(Loss) for the year	8,157,146	(9,615,805)
Profit/(Loss) attributable to:		
Owners of the Company	6,604,261	(9,615,805)
Non-controlling interests	1,552,885	-
	8,157,146	(9,615,805)

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 6%, tax-exempt, amounting to RM5,917,435 was paid on January 22, 2010 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

(a) At an Extraordinary General Meeting held on January 22, 2010, the shareholders of the Company approved the 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

(b) During the financial year, the Company increased its issued and fully paid-up ordinary share capital from RM98,623,917 to RM101,077,894 by way of:

  (i) issue of 1,824,535 new ordinary shares of RM1.00 each arising from the conversion of RM3,101,720 nominal value of 4%, 5-year irredeemable convertible unsecured loan stocks ("ICULS") at the conversion price of RM1.70 per ordinary share;

  (ii) issue of 1,254,884 new ordinary shares of RM0.50 each arising from the conversion of RM1,066,658 nominal value of 4%, 5-year ICULS at the conversion price of RM0.85 per ordinary share;

  (iii) issue of 1,000 new ordinary shares of RM1.00 each at an exercise price of RM1.70 per ordinary share arising from the exercise of Warrants; and

  (iv) issue of 2,000 new ordinary shares of RM0.50 each at an exercise price of RM0.85 per ordinary share arising from the exercise of Warrants.

The resulting premium arising from the shares issued in (b) (i) and (ii) of RM1,359,024 and in (b) (iii) and (iv) of RM1,400 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 90,000 ordinary shares from the open market of Bursa Malaysia Securities Berhad. The total amount paid for the acquisition of the shares was RM85,067 and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM0.95 per share. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER FINANCIAL INFORMATION

Before the statements of comprehensive income and the statements of financial position 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 37 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
Mr. Ping Kok Koh
En. Sharifuddin bin Shoib
Mr. Yap Jek Nan
Mr. Poh Choo Lim
Mr. Voon Chong Kian (alternate to Mr. Ping Kok Koh)
Dato' Abdul Rahim bin Abdul Halim
En. Mustapha bin Mohamed

In accordance with Article 91 of the Company's Articles of Association, Mr. Ping Kok Koh and Mr. Poh Choo Lim retire by rotation and, being eligible, offer themselves for re-election.

In accordance with Section 129 of the Companies Act, 1965, Dato' Mohamed Bin Hamzah retires and, being eligible, offers himself for re-appointment.

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			Number of ordinary shares of RM0.50 each			
Shares in the Company	**Balance as of 1.1.2010**	**Bought**	**Sold**	**Subdivision of shares**	**Bought**	**Sold**	**Balance as of 31.12.2010**
Registered in the name of directors							
Dato' Mohamed bin Hamzah	310,246	-	-	310,246	227,643	-	848,135
En. Sharifuddin bin Shoib	27,057	-	-	27,057	-	-	54,114
Mr. Poh Choo Lim	50,000	-	-	50,000	-	-	100,000
Mr. Voon Chong Kian (alternate to Mr. Ping Kok Koh)	1,000,157	-	-	1,000,157	-	(1,000,000)	1,000,314
Indirect interest							
Dato' Mohamed bin Hamzah	-	66,400	-	66,400	20,705	-	153,505
Mr. Ping Kok Koh	16,107,604	441,176	-	16,548,780	-	-	33,097,560
En. Sharifuddin bin Shoib	13,106,146	-	-	13,106,146	-	-	26,212,292
Mr. Poh Choo Lim	60,000	-	-	60,000	-	-	120,000
Mr. Voon Chong Kian (alternate to Mr. Ping Kok Koh)	200,000	-	-	200,000	400,000	(800,000)	-

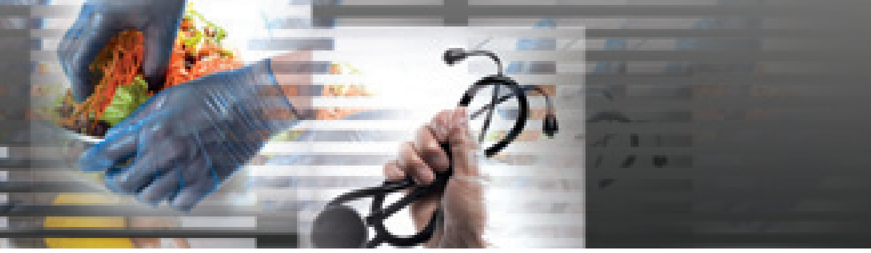
By virtue of their interests in the shares of the Company, Mr. Ping Kok Koh and En. Sharifuddin bin Shoib are also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has interest.

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.



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,

MR. PING KOK KOH

DATO' MOHAMED BIN HAMZAH

Ipoh,
15 April 2011

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 statements of financial position of the Group and of the Company as of December 31, 2010 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 103.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 entity's preparation of financial statements that give a true and fair view 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 entity'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 Financial Reporting Standards 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 of December 31, 2010 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 Act to be kept by the Company and by the subsidiaries of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditors' reports of the subsidiaries, of which we have not acted as auditors, as mentioned in Note 16 to the financial statements, being accounts that have been included in the financial statements of the Group;

(c) we are satisfied that the accounts of the subsidiaries 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' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 39 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

DATO' WONG GUANG SENG
Partner - 787/03/13(J/PH)
Chartered Accountant

Statements of Comprehensive Income
for the year ended December 31, 2010

	Note	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Revenue	5	343,264,672	317,627,647	4,200,000	5,316,000
Investment revenue	7	129,320	60,567	759,767	1,332,821
Other gains and losses	8	(6,490,982)	(1,768,964)	(12,653,680)	(1,642,664)
Other operating income	10	428,794	386,105	-	-
Changes in inventories of finished goods, trading goods and work-in-progress		2,340,544	(2,513,722)	-	-
Purchase of finished goods and trading goods		(17,137,188)	(14,993,710)	-	-
Raw materials and consumables used		(210,844,855)	(172,246,124)	-	-
Directors' remuneration	9	(1,301,586)	(1,726,211)	(127,500)	(127,500)
Employee benefits expenses	10	(41,272,529)	(41,702,356)	-	-
Depreciation expenses	14	(16,740,621)	(15,064,165)	-	-
Amortisation of prepaid lease payments	15	(228,362)	(247,410)	-	-
Finance costs	11	(8,637,446)	(8,026,533)	(1,049,940)	(508,437)
Other operating expenses	10	(33,357,351)	(36,490,016)	(731,415)	(599,778)
Profit/(Loss) before tax		10,152,410	23,295,108	(9,602,768)	3,770,442
Income tax expense	12	(1,995,264)	(727,332)	(13,037)	(82,349)
PROFIT/(LOSS) FOR THE YEAR		8,157,146	22,567,776	(9,615,805)	3,688,093
Other comprehensive loss:					
Exchange differences on translating foreign operations		(12,571,470)	(928,965)	-	-
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		(4,414,324)	21,638,811	(9,615,805)	3,688,093
Profit/(Loss) attributable to:					
Owners of the Company		6,604,261	17,308,011	(9,615,805)	3,688,093
Non-controlling interests		1,552,885	5,259,765	-	-
		8,157,146	22,567,776	(9,615,805)	3,688,093
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(5,301,480)	16,500,862	(9,615,805)	3,688,093
Non-controlling interests		887,156	5,137,949	-	-
		(4,414,324)	21,638,811	(9,615,805)	3,688,093
Earnings per share					
Basic (sen per share)	13	3.28	10.03		
Diluted (sen per share)	13	2.93	7.98		

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

Statements of Financial Position

as of December 31, 2010

	Note	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	144,445,549	156,388,382	-	-
Prepaid lease payments	15	13,522,710	14,425,930	-	-
Investments in subsidiary companies	16	-	-	68,171,636	64,971,636
Goodwill on consolidation	17	2,793,422	2,793,422	-	-
Deferred tax assets	12	22,830	35,867	22,830	35,867
Amount owing by subsidiary companies	20	-	-	117,510,821	-
Total non-current assets		160,784,511	173,643,601	185,705,287	65,007,503
Current assets					
Inventories	18	66,632,544	67,972,894	-	-
Trade and other receivables	19	48,445,683	57,236,134	-	3,710,757
Amount owing by subsidiary companies	20	-	-	44,959,128	173,553,259
Other financial assets	21	278,156	-	-	-
Current tax assets	12	767,996	2,064,513	379,848	358,848
Other assets	22	528,851	645,324	1,000	1,000
Fixed deposits, cash and bank balances	23	40,623,475	18,162,151	3,772,871	1,785,283
Total current assets		157,276,705	146,081,016	49,112,847	179,409,147
Total assets		318,061,216	319,724,617	234,818,134	244,416,650

Statements of Financial Position
as of December 31, 2010 (cont'd)

		The Group		The Company	
		2010	2009	2010	2009
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	24	101,077,894	98,623,917	101,077,894	98,623,917
Treasury shares	24	(85,067)	-	(85,067)	-
Reserves	25	30,371,358	36,968,948	20,764,685	34,937,501
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	27	18,814,944	22,218,032	18,814,944	22,218,032
Equity attributable to owners of the Company		150,179,129	157,810,897	140,572,456	155,779,450
Non-controlling interests		572,627	6,146,372	-	-
Total equity		150,751,756	163,957,269	140,572,456	155,779,450
Non-current liabilities					
Deferred tax liabilities	12	1,855,479	2,973,636	-	-
Borrowings	29	11,098,036	52,552,853	8,538,876	44,621,303
Other payables	30	7,200,000	9,600,000	7,200,000	9,600,000
Total non-current liabilities		20,153,515	65,126,489	15,738,876	54,221,303
Current liabilities					
Trade and other payables	30	27,966,656	30,083,308	2,437,342	2,442,524
Amount owing to subsidiary companies	20	-	-	9,355,238	-
Borrowings	29	111,088,250	50,654,311	65,834,096	30,925,793
Current tax liabilities	12	915,793	366,500	-	-
Other liabilities - accrued expenses	31	7,185,246	9,536,740	880,126	1,047,580
Total current liabilities		147,155,945	90,640,859	78,506,802	34,415,897
Total liabilities		167,309,460	155,767,348	94,245,678	88,637,200
Total equity and liabilities		318,061,216	319,724,617	234,818,134	244,416,650

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

Statements of Changes in Equity
for the year ended December 31, 2010

The 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	Non-controlling Interests RM	Total Equity RM
		← Attributable to Owners of the Company							→		
					Non-distributable Reserves			Distributable Reserve			
Balance as of January 1, 2009		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
Profit for the year		-	-	-	-	-	-	17,308,011	17,308,011	5,259,765	22,567,776
Other comprehensive loss for the year		-	-	-	-	(807,149)	-	-	(807,149)	(121,816)	(928,965)
Total comprehensive income for the year		-	-	-	-	(807,149)	-	17,308,011	16,500,862	5,137,949	21,638,811
Dividends paid by subsidiary company to non-controlling interests		-	-	-	-	-	-	-	-	(1,789,884)	(1,789,884)
Payment of dividend	26	-	-	-	-	-	-	(4,216,150)	(4,216,150)	-	(4,216,150)
Issue of shares to non-controlling interests		-	-	-	-	-	-	-	-	400,000	400,000
Purchase of shares from non-controlling interests		-	-	-	-	-	(13,678,301)	-	(13,678,301)	(10,321,699)	(24,000,000)
Purchase of treasury shares	24(b)	-	(2,866,190)	-	-	-	-	-	(2,866,190)	-	(2,866,190)
Resale of treasury shares	24(b)&25	-	5,932,646	-	1,316,464	-	-	-	7,249,110	-	7,249,110
Conversion of ICULS	24(a)&25	11,532,960	-	(15,683,964)	6,109,673	-	-	-	1,958,669	-	1,958,669
Exercise of options under Executive Share Option cheme (“ESOS”)	24(a)&25	3,981,334	-	-	1,950,854	-	-	-	5,932,188	-	5,932,188
Exercise of Warrants	24(a)&25	99	-	-	69	-	-	-	168	-	168
Balance as of December 31, 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

Statements of Changes in Equity
for the year ended December 31, 2010 (cont'd)

		Attributable to Owners of the Company									
					Non-distributable Reserves			Distributable Reserve			
The 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**	**Non-controlling Interests RM**	**Total Equity RM**
Profit for the year		-	-	-	-	-	-	6,604,261	6,604,261	1,552,885	8,157,146
Other comprehensive loss for the year		-	-	-	-	(11,905,741)	-	-	(11,905,741)	(665,729)	(12,571,470)
Total comprehensive income for the year		-	-	-	-	(11,905,741)	-	6,604,261	(5,301,480)	887,156	(4,414,324)
Payment of dividend	26	-	-	-	-	-	-	(5,917,435)	(5,917,435)	-	(5,917,435)
Adjustment relating to contingent consideration under profit guarantee		-	-	-	-	-	2,400,000	-	2,400,000	-	2,400,000
Purchase of shares from non-controlling interests		-	-	-	-	-	860,901	-	860,901	(6,460,901)	(5,600,000)
Purchase of treasury shares	24(b)	-	(85,067)	-	-	-	-	-	(85,067)	-	(85,067)
Conversion of ICULS	24(a)&25	2,451,977	-	(3,403,088)	1,359,024	-	-	-	407,913	-	407,913
Exercise of Warrants	24(a)&25	2,000	-	-	1,400	-	-	-	3,400	-	3,400
Balance as of December 31, 2010		101,077,894	(85,067)	18,814,944	24,063,448	(6,897,132)	(10,417,400)	23,622,442	150,179,129	572,627	150,751,756

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

Statements of Changes in Equity
for the year ended December 31, 2010 (cont'd)

The 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 Owners of the Company →					
Balance as of January 1, 2009		83,109,524	(3,066,456)	37,901,996	13,325,964	12,762,534	144,033,562
Profit and total comprehensive income for the year		-	-	-	-	3,688,093	3,688,093
Payment of dividend	26	-	-	-	-	(4,216,150)	(4,216,150)
Purchase of treasury shares	24(b)	-	(2,866,190)	-	-	-	(2,866,190)
Resale of treasury shares	24(b)&25	-	5,932,646	-	1,316,464	-	7,249,110
Conversion of ICULS	24(a)&25	11,532,960	-	(15,683,964)	6,109,673	-	1,958,669
Exercise of options under ESOS	24(a)&25	3,981,334	-	-	1,950,854	-	5,932,188
Exercise of Warrants	24(a)&25	99	-	-	69	-	168
Balance as of December 31, 2009		98,623,917	-	22,218,032	22,703,024	12,234,477	155,779,450
Loss and total comprehensive loss for the year		-	-	-	-	(9,615,805)	(9,615,805)
Payment of dividend	26	-	-	-	-	(5,917,435)	(5,917,435)
Purchase of treasury shares	24(b)	-	(85,067)	-	-	-	(85,067)
Conversion of ICULS	24(a)&25	2,451,977	-	(3,403,088)	1,359,024	-	407,913
Exercise of Warrants	24(a)&25	2,000	-	-	1,400	-	3,400
Balance as of December 31, 2010		101,077,894	(85,067)	18,814,944	24,063,448	(3,298,763)	140,572,456

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

Statements of Cash Flows
for the year ended December 31, 2010

The Group	Note	2010 RM	2009 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		8,157,146	22,567,776
Adjustments for:			
Depreciation of property, plant and equipment		16,740,621	15,064,165
Finance costs		8,637,446	8,026,533
Income tax expense recognised in statements of comprehensive income		1,995,264	727,332
Unrealised loss on foreign exchange		1,208,933	19,429
Amortisation of prepaid lease payments		228,362	247,410
Inventories written down to net realisable value		115,308	-
Allowance for inventory obsolescence		63,616	-
Allowance for doubtful debts		49,776	158,472
Inventories written off		22,913	2,625
Property, plant and equipment written off		13,283	49,849
Fair value gains on financial derivatives		(278,156)	-
Investment revenue recognised in statements of comprehensive income		(129,320)	(60,567)
Gain on disposal of property, plant and equipment		(14,561)	(13,032)
Tax penalty		-	35,028
Allowance for doubtful debts no longer required		-	(173,875)
Bad debts recovered		-	(22,800)
		36,810,631	46,628,345
Movements in working capital:			
(Increase)/Decrease in:			
MTN Debt Service Reserve Account		(28,807)	(55,035)
MTN Disbursement Account		20	-
Inventories		(3,943,846)	4,368,106
Trade and other receivables		10,320,919	(10,093,708)
Other assets		74,535	2,939,149
Decrease in:			
Trade and other payables		(1,866,972)	(1,004,962)
Other liabilities - accrued expenses		(1,798,044)	(101,516)
Cash Generated From Operations		39,568,436	42,680,379
Income tax refunded		1,078,566	-
Income tax paid		(2,321,015)	(2,857,164)
Tax penalty paid		-	(35,028)
Net Cash Generated From Operating Activities		38,325,987	39,788,187

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

Statements of Cash Flows
for the year ended December 31, 2010 (cont'd)

The Group	Note	2010 RM	2009 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Interest on short-term and fixed deposits received		85,053	47,185
Proceeds from disposal of property, plant and equipment		54,259	33,774
Interest on advances to a third party received		34,286	-
Rental income		9,981	13,382
Purchase of property, plant and equipment	33(a)	(9,089,840)	(28,043,263)
Advance payments paid to purchase land use rights		(5,742,797)	(2,044,330)
Acquisition of additional shares in subsidiary companies		(5,600,000)	(12,000,000)
(Placement)/Withdrawal of fixed deposits		(2,005,000)	25,000
Net Cash Used In Investing Activities		(22,254,058)	(41,968,252)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from revolving credit		13,718,362	3,421,454
Proceeds from bills payable		6,822,364	1,041,757
Proceeds from issuance of shares		3,400	5,932,356
Finance costs paid		(9,596,313)	(9,887,882)
Dividend paid		(5,917,435)	(4,216,150)
Repayment of term loans		(2,023,279)	(929,170)
Repurchased of shares - treasury shares		(85,067)	(2,866,190)
Proceeds from resale of treasury shares		-	3,538,521
Proceeds from issuance of shares to non-controlling interests		-	400,000
Dividend paid to non-controlling interests		-	(1,789,884)
Net Cash Generated From/(Used In) Financing Activities		2,922,032	(5,355,188)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		18,993,961	(7,535,253)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		17,255,830	24,819,284
Effect of exchange rate changes on the balance of cash held in foreign currencies		(1,443,496)	(28,201)
CASH AND CASH EQUIVALENTS AT END OF YEAR	33(b)	34,806,295	17,255,830

Statements of Cash Flows
for the year ended December 31, 2010 (cont'd)

The Company	**Note**	**2010 RM**	**2009 RM**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
(Loss)/Profit for the year		(9,615,805)	3,688,093
Adjustments for:			
Unrealised loss on foreign exchange		12,613,198	1,561,356
Finance costs		1,049,940	508,437
Income tax expense recognised in statements of comprehensive income		13,037	82,349
Dividend income		(4,200,000)	(5,316,000)
Investment revenue recognised in statements of comprehensive income		(759,767)	(1,332,821)
Tax penalty		-	11,038
		(899,397)	(797,548)
Movements in working capital:			
(Increase)/Decrease in:			
MTN Debt Service Reserve Account		(28,807)	(55,035)
MTN Disbursement Account		20	-
Other receivables		3,710,757	(168)
(Decrease)/Increase in:			
Other payables		(5,182)	(1,222)
Other liabilities - accrued expenses		25,202	(11,624)
Cash Generated From/(Used In) Operations		2,802,593	(865,597)
Dividends received from subsidiary companies		4,200,000	5,316,000
Income tax paid		(21,000)	(45,530)
Tax penalty paid		-	(11,038)
Net Cash Generated From Operating Activities		6,981,593	4,393,835
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Interest on advances to subsidiary companies received		5,083,054	6,314,980
Interest on fixed deposits received		26,480	24,835
Acquisition of additional shares in subsidiary companies		(5,600,000)	(12,000,000)
(Placement)/Withdrawal of fixed deposits		(2,005,000)	25,000
(Advances granted to)/Repayment from subsidiary companies - Net		(1,529,888)	5,793,988
Net Cash (Used In)/Generated From Investing Activities		(4,025,354)	158,803

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

Statements of Cash Flows
for the year ended December 31, 2010 (cont'd)

The Company	**Note**	**2010 RM**	**2009 RM**
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Advances received from subsidiary companies		9,355,238	-
Proceeds from issuance of shares		3,400	5,932,356
Finance costs paid		(6,358,574)	(7,253,110)
Dividends paid		(5,917,435)	(4,216,150)
Purchase of treasury shares		(85,067)	(2,866,190)
Proceeds from resale of treasury shares		-	3,538,521
Net Cash Used In Financing Activities		(3,002,438)	(4,864,573)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(46,199)	(311,935)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		986,132	1,298,067
CASH AND CASH EQUIVALENTS AT END OF YEAR	33(b)	939,933	986,132

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

Notes to the Financial Statements

1. GENERAL INFORMATION

The Company is a public 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 15 April 2011.

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 Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

2.1 Adoption of new and revised Financial Reporting Standards ("FRSs") and IC Interpretations ("IC Int.")

During the financial year, the Group and the Company adopted all new and revised FRSs and IC Int. issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after January 1, 2010. The adoption of these new and revised FRSs and IC Int. have not resulted in material changes to the Group's and the Company's accounting policies except as follows:

(i) 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 Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and process for managing capital.

Comparative disclosures have not been presented upon initial adoption of this Standard as the Group and the Company have availed themselves of the transitional provision in this Standard.

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

2.1 **Adoption of new and revised Financial Reporting Standards ("FRSs") and IC Interpretations ("IC Int.")** (cont'd)

(ii) **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 chief operating decision maker in order to allocate resources to the segments and to assess their performance. Currently, the Group presents segment information primarily in respect of its geographical segment (see Note 6). 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.

(iii) **Revised FRS 101: Presentation of Financial Statements**

The revised FRS 101 introduces changes in the presentation and disclosure of financial statements. The revised standard requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line labelled as total comprehensive income. The revised standard also requires the presentation of the statements of comprehensive income. It presents all items of income and expense recognised in statements of comprehensive income, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Group's and the Company's objective, policies and processes for managing capital (see Note 32).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

(iv) **FRS 139 Financial Instruments: Recognition and Measurement**

FRS 139 sets out the requirements for the recognition and measurement of the Group's and of the Company's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the end of reporting date reflects the designation of the financial instruments. The Group and the Company have adopted FRS 139 prospectively in accordance with the transitional provision of FRS 139. The Group and the Company determine the classification of financial instruments at their initial recognition and for the purpose of the first adoption of the standard, as at transitional date on January 1, 2010.

The effects arising from the adoption of this standard is assessed as immaterial and has not been accounted for by adjusting the opening balance of retained earnings as of January 1, 2010.

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

2.2 FRSs and IC Int. in issue but not yet effective

At the date of authorisation for issue of these financial statements, the FRSs, IC 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 (Revised in 2010)	July 1, 2010
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to limited exemption from comparative FRS 7 disclosures for first-time adopters)	January 1, 2011
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) (Amendments relating to additional exemptions for first-time adopters)	January 1, 2011
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)	January 1, 2011
FRS 3	Business Combinations (Revised in 2010)	July 1, 2010
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)	January 1, 2011
FRS 124	Related Party Disclosure (Revised in 2010)	January 1, 2012
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010)	July 1, 2010
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)	March 1, 2010
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to consequential amendments arising from FRS 3 (Revised in 2010) and FRS 127 (Revised in 2010))	July 1, 2010
Improvements to FRSs (2010)		January 1, 2011
IC Int. 4	Determining whether an Arrangement contains a Lease	January 1, 2011
IC Int. 12	Service Concession Arrangements	July 1, 2010
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement)	July 1, 2011
IC Int. 15	Agreements for the Construction of Real Estate	January 1, 2012
IC Int. 16	Hedges of a Net Investment in a Foreign Operation	July 1, 2010
IC Int. 17	Distributions of Non-cash Assets to Owners	July 1, 2010
IC Int. 18	Transfers of Assets from Customers	January 1, 2011
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2011

The directors anticipate that abovementioned Standards and IC 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 IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application other than the following:

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

2.2 FRSs and IC Int. in issue but not yet effective (cont'd)

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. The directors are of the view that the impact of the eventual application is not known or reasonably estimable presently.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Company owns, directly or indirectly through subsidiary companies, more than one half of the voting rights of the said company.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

Non-controlling interests in the subsidiary companies are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling party's share of changes in equity since the date of the combination. Losses applicable to the non-controlling party in excess of the non-controlling party's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling party has a binding obligation and is able to make an additional investment to cover the losses.

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

Business Combinations

The acquisitions of subsidiary companies are accounted for using the acquisition method. 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 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.

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 recognised when it is probable that the economic benefits will flow to the Group and the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Dividend income

Dividend income represents gross dividends from unquoted investments and is recognised when the shareholder's right to receive payment is established, provided that it is probable that the economic benefits will flow to the Group and the Company, and the amount of revenue can be measured reliably.

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 statements of comprehensive income as incurred. The approved provident funds are defined contribution plans. Once the contributions have been paid, there are no further payment obligations.

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 ("RM"), 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 the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currencies (cont'd)

Exchange differences are recognised in statements of comprehensive income in the period in which they arise except for:

- exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore, forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to statements of comprehensive income on disposal or partial disposal of the investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign incorporated subsidiary companies of the Group are expressed in RM using exchange rates prevailing at the end of the reporting period. 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 recognised in other comprehensive income and accumulated in the translation reserve of the Group. Such exchange differences accumulated in the translation reserve of the Group are reclassified to statements of comprehensive income in the year in which the foreign incorporated subsidiary company is disposed of when the gain or loss on disposal is recognised.

On consolidation, exchange differences arising from the translation of net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

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

Foreign Currency	**31.12.2010 RM**	**31.12.2009 RM**
1 United States Dollar ("USD")	3.0830	3.4250
1 Hong Kong Dollar ("HKD")	0.3960	0.4416
1 Chinese Renminbi ("RMB")	0.4670	0.5016
1 Euro ("Euro")	4.0816	4.9354
1 Great Britain Pound ("GBP")	4.7774	5.5283

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

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 the statements of comprehensive income 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 end of the reporting 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.

The tax effects of unutilised reinvestment allowance are only recognised upon actual realisation.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 end of each reporting 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 end of 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 the statements of comprehensive income, except when they relate to items credited or debited directly to other comprehensive income or equity, in which case the tax is also recognised directly in other comprehensive income or 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment

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

Freehold land is not depreciated. Capital work-in-progress comprises contractors' payments and directly attributable costs incurred in preparing these assets for their intended use. Depreciation on assets under construction commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets, other than freehold land and capital work-in-progress, over their estimated useful lives, after taking into account their estimated residual values using the straight-line method on the following bases:

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 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 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 statements of comprehensive income.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statements of comprehensive income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

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 reporting 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 payment on leasehold land is 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 separate financial statements of the Company at cost less accumulated impairment losses, if any.

Goodwill

Goodwill arising 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 statements of comprehensive income 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 the end of each reporting period, 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 have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statements of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statements of comprehensive income.

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.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past event and it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL"), which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income and expense is recognised on an effective interest basis for debt instruments other than those financial assets or financial liabilities classified as FVTPL.

(a) Financial assets

Financial assets of the Group and of the Company are classified into 'loans and receivables' category. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(ii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Effective interest method (cont'd)

(a) Financial assets (cont'd)

(ii) Impairment of financial assets (cont'd)

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are debited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statements of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statements of comprehensive income to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iii) Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

Financial Instruments (cont'd)

Effective interest method (cont'd)

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

(iii) Compound instruments

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.

(iv) Financial liabilities

Financial liabilities of the Group and of the Company, including borrowings, are classified into "other financial liabilities" category, and are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(v) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligation are discharged, cancelled or they expire.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Effective interest method (cont'd)

(c) Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statements of comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of comprehensive income depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Statements of Cash Flows

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

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, the directors are 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.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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:

(i) <u>Impairment of Goodwill</u>

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.

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

(i) Impairment of Goodwill (cont'd)

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.

(ii) Impairment of Property, Plant and Equipment

The carrying amounts of property, plant and equipment of the Group as of December 31, 2010 was RM144,445,549 (2009: RM156,388,382).

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Management of the Group has carried out a review on its property, plant and equipment and concluded that there is no indication of impairment.

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

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period 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.

(iv) Recoverability of Receivables

The carrying amounts of third-party trade and other receivables of the Group and of the Company as of December 31, 2010 was RM48,445,683 (2009: RM57,236,134) and Nil (2009: RM3,710,757) respectively.

An allowance is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of transactions. This is determined based on the ageing profile and collection patterns. 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.

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

(v) Inventory Obsolescence

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Sale of manufactured products	321,963,462	301,696,060	-	-
Sale of trading products	21,301,210	15,931,587	-	-
Dividends (gross) received from subsidiary companies	-	-	4,200,000	5,316,000
	343,264,672	317,627,647	4,200,000	5,316,000

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.

Information reported to the chief operating decision maker and senior management for the purposes of resource allocation and assessment of performance focused on the business operations of the Group by geographical location in Malaysia, People's Republic of China and Europe.

Segment revenue from external customers is based on the country in which the customer is located whereas the total carrying amount of assets, liabilities and capital expenditure is allocated based on location of the assets.

Unallocated corporate assets and liabilities include items that cannot be reasonably allocated to an individual segment.

6. SEGMENT REPORTING (cont'd)

Geographical segments by location of assets

The Group 2010	Malaysia RM	People's Republic of China RM	Europe RM	Eliminations RM	Total RM
Revenue	143,804,382	349,434,838	39,962,616	(189,937,164)	343,264,672
Results					
Segment results	758,409	4,752,584	1,996,203	11,282,660	18,789,856
Finance costs					(8,637,446)
Profit before tax					10,152,410
Income tax expense					(1,995,264)
Profit for the year					8,157,146
Assets					
Segment assets	86,961,156	207,461,426	22,847,808	-	317,270,390
Unallocated corporate assets					790,826
Consolidated total assets					318,061,216
Liabilities					
Segment liabilities	23,840,680	17,372,346	1,138,876	-	42,351,902
Unallocated corporate liabilities					124,957,558
Consolidated total liabilities					167,309,460
Other Information					
Capital expenditure	1,786,592	11,250,440	14,975	-	13,052,007
Depreciation and amortisation charges	7,790,170	9,159,621	19,192	-	16,968,983

6. SEGMENT REPORTING (cont'd)

Geographical segments by location of assets (cont'd)

The Group 2010	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

Revenue from sales to external customers by location of customers:

	The Group 2010 RM	The Group 2009 RM
Europe	237,504,918	217,879,246
North and South America	43,694,807	49,170,262
Rest of the world	62,064,947	50,578,139
	343,264,672	317,627,647

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest income from:				
Fixed deposits	53,251	24,835	26,480	24,835
Advances to a third party	34,286	-	-	-
Short-term deposits	31,802	22,350	-	-
Advances to subsidiary companies	-	-	733,287	1,307,986
Rental income	9,981	13,382	-	-
	129,320	60,567	759,767	1,332,821

8. OTHER GAINS AND LOSSES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Fair value gains on financial derivatives	278,156	-	-	-
Gain on disposal of property, plant and equipment	14,561	13,032	-	-
Realised loss on foreign exchange	(5,574,766)	(1,762,567)	(40,482)	(81,308)
Unrealised loss on foreign exchange	(1,208,933)	(19,429)	(12,613,198)	(1,561,356)
	(6,490,982)	(1,768,964)	(12,653,680)	(1,642,664)

9. DIRECTORS' REMUNERATION

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Executive directors of the Company:				
Salaries, allowances and bonuses	359,000	412,700	-	-
Contributions to Employees' Provident Fund ("EPF")	39,480	45,924	-	-
	398,480	458,624	-	-
Executive directors of the subsidiary companies:				
Salaries, allowances and bonuses	719,134	1,048,371	-	-
Contributions to EPF	56,472	91,716	-	-
	775,606	1,140,087	-	-
Non-executive directors:				
Fees	127,500	127,500	127,500	127,500
	1,301,586	1,726,211	127,500	127,500

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM1,800 (2009: RM224,150).

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

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

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Allowance for doubtful debts no longer required	-	173,875	-	-
Bad debts recovered	-	22,800	-	-
Rental of premises	(550,755)	(131,916)	-	-
Auditors remuneration:				
Statutory audit:				
Current year	(378,005)	(365,773)	(116,000)	(30,000)
Prior year	(5,200)	-	(5,200)	-
Others	(2,000)	(2,000)	(2,000)	-
Allowance for doubtful debts	(49,776)	(158,472)	-	-
Property, plant and equipment written off	(13,283)	(49,849)	-	-
Rental of motor vehicle	-	(64,404)	-	-

Included in employee benefits expenses are contributions made by the Group to the EPF and other defined contribution plans of RM2,441,135 (2009: RM2,673,081).

11. FINANCE COSTS

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Interest on:				
Medium Term Notes	3,233,580	3,224,532	-	-
Revolving credit	2,777,325	1,912,067	1,046,575	505,343
Bills payable	653,155	407,880	-	-
Term loans	544,609	935,487	-	-
ICULS	162,789	375,738	-	-
Bank overdrafts	64,476	41,117	-	-
Bank charges and commitment fees	1,201,512	1,129,712	3,365	3,094
	8,637,446	8,026,533	1,049,940	508,437

Interest cost on ICULS, Medium Term Notes and revolving credit of RM162,789, RM3,233,580 and RM953,398 (2009: RM375,738, RM3,224,532 and RM1,406,724) 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

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Income tax expense comprises:				
Current tax expense:				
Malaysian	2,444,328	1,389,000	-	-
Foreign	574,601	63,041	-	-
	3,018,929	1,452,041	-	-
Adjustment recognised in the current year in relation to the income tax of prior years	80,593	(266,408)	-	24,530
	3,099,522	1,185,633	-	24,530
Deferred tax:				
Relating to origination and reversal of temporary differences:				
Malaysian	(1,099,000)	(510,304)	-	-
Foreign	(999)	5,214	-	-
	(1,099,999)	(505,090)	-	-
Relating to crystallisation of deferred tax liability on revaluation surplus of factory buildings of certain subsidiary companies	(17,296)	(11,030)	-	-
Relating to reversal of liability component of ICULS	13,037	57,819	13,037	57,819
	(1,104,258)	(458,301)	13,037	57,819
	1,995,264	727,332	13,037	82,349

12. INCOME TAX EXPENSE (cont'd)

The Group's and the Company's income tax rate remained at 25% for the year of assessment 2010. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit/(Loss) before tax	10,152,410	23,295,108	(9,602,768)	3,770,442
Tax calculated at 25% (2009: 25%)	2,538,000	5,824,000	(2,400,692)	943,000
Tax effects of:				
Unutilised tax losses and unabsorbed tax capital allowances not recognised as deferred tax assets	1,923,417	372,500	140,069	-
Expenses that are not deductible in determining taxable profit	1,832,815	3,613,172	3,323,660	864,819
Income that is not taxable in determining taxable profit:				
Off-shore profit of a foreign subsidiary not subjected to tax	(2,743,973)	(6,511,066)	-	-
Others	-	-	(1,050,000)	(1,750,000)
Reinvestment allowances utilised	(997,066)	(1,160,517)	-	-
Utilisation of unutilised tax losses previously not recognised as deferred tax assets	-	(1,119,000)	-	-
Effect of different tax rates in other jurisdictions	(638,522)	(25,349)	-	-
Adjustment recognised in the current year in relation to the income tax of prior years	80,593	(266,408)	-	24,530
Income tax expense recognised in statements of comprehensive income	1,995,264	727,332	13,037	82,349

According to the tax legislation of People's Republic of China, 100% of the chargeable income is exempted from tax for the first and second year from the date of commencement of business operations and 50% of chargeable income is exempted for the subsequent years.

12. INCOME TAX EXPENSE (cont'd)

Current tax assets

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Tax refund receivable	767,996	2,064,513	379,848	358,848

Current tax liabilities

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Income tax payable	915,793	366,500	-	-

As of December 31, 2010, the Company has Section 108 tax credits and tax-exempt accounts balances of approximately RM1,694,000 (2009: RM3,099,400) and RM10,838,000 (2009: RM12,556,000) 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 of December 31, 2010, certain subsidiary companies have tax-exempt account balance of approximately RM13,092,514 (2009: RM8,871,000). 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.

12. INCOME TAX EXPENSE (cont'd)

Deferred tax balances

The Group 2010	**Opening balance RM**	**Recognised in statements of comprehensive income RM**	**Net foreign currency exchange differences recognised in other comprehensive income RM**	**Closing balance RM**
Deferred tax liabilities				
Property, plant and equipment	(3,383,241)	819,999	862	(2,562,380)
Revaluation surplus on factory buildings	(186,458)	17,296	-	(169,162)
Unrealised exchange differences on receivables	(215,000)	215,000	-	-
	(3,784,699)	1,052,295	862	(2,731,542)
Deferred tax assets				
Unrealised gain on inventories	457,063	-	-	457,063
Unabsorbed tax capital allowances	354,000	24,000	-	378,000
Unrealised exchange differences on receivables	-	41,000	-	41,000
	811,063	65,000	-	876,063
	(2,973,636)	1,117,295	862	(1,855,479)
2009				
Deferred tax liabilities				
Property, plant and equipment	(4,056,000)	672,786	(27)	(3,383,241)
Revaluation surplus on factory buildings	(197,792)	11,334	-	(186,458)
Unrealised exchange differences on receivables	(69,000)	(146,000)	-	(215,000)
	(4,322,792)	538,120	(27)	(3,784,699)

12. INCOME TAX EXPENSE (cont'd)

***Deferred tax balances** (cont'd)*

The Group 2009	Opening balance RM	Recognised in statements of comprehensive income RM	Net foreign currency exchange differences recognised in other comprehensive income RM	Closing balance RM
Deferred tax assets				
Unrealised gain on inventories	457,063	-	-	457,063
Unabsorbed tax capital allowances	337,000	17,000	-	354,000
Allowance for doubtful debts	39,000	(39,000)	-	-
	833,063	(22,000)	-	811,063
	(3,489,729)	516,120	(27)	(2,973,636)

Deferred tax balances are presented in the statements of financial position after appropriate offsetting as follows:

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Deferred tax liabilities	(2,731,542)	(3,784,699)	-	-
Deferred tax assets	876,063	811,063	-	-
	(1,855,479)	(2,973,636)	-	-

Deferred tax assets

The Group and The Company

	Opening balance RM	Recognised in statement of comprehensive income RM	Closing balance RM
2010			
Liability component of ICULS	35,867	(13,037)	22,830
2009			
Liability component of ICULS	93,686	(57,819)	35,867

12. INCOME TAX EXPENSE (cont'd)

As of December 31, 2010, 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:

	The Group Deferred Tax Assets	
	2010	**2009**
	RM	**RM**
Tax effects of:		
Unutilised tax losses and unabsorbed tax capital allowances	4,038,000	2,361,000
Temporary differences arising from property, plant and equipment	57,000	52,000
	4,095,000	2,413,000

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	The Group	
	2010	**2009**
	RM	**RM**
Profit for the year attributable to owners of the Company	6,604,261	17,308,011

	2010	**2009**
	Shares	**Shares**
Number of ordinary shares in issue as of January 1	98,623,917	83,109,524
Less: Shares repurchased as of January 1	-	(2,801,900)
	98,623,917	80,307,624
Conversion of ICULS	1,821,298	2,124,005
Exercise of ESOS and Warrants	1,000	2,093,675
Treasury shares sold	-	2,872,225
Shares repurchased	-	(1,133,350)
Effect of subdivision of shares	100,446,215	86,264,179
	200,892,430	172,528,358
Exercise of Warrants	1,833	-
Conversion of ICULS	748,845	-
Shares repurchased	(35,833)	-
Weighted average number of ordinary shares in issue	201,607,275	172,528,358

13. EARNINGS PER SHARE (cont'd)

Basic

	The Group	
	2010	**2009**
Basic earnings per ordinary share (sen)	3.28	10.03 *

* Restated basic earnings per ordinary share after adjusting for subdivision of shares [Note 24(a)].

Fully Diluted

	The Group	
	2010	**2009**
	RM	**RM**
Profit for the year attributable to owners of the Company	6,604,261	17,308,011
Add: Interest on ICULS (net of tax)	87,747	162,785
	6,692,008	17,470,796
	2010	**2009**
	Shares	**Shares**
Weighted average number of ordinary shares in issue	201,607,275	172,528,358
Effect of conversion of Warrants	-	14,491,192
Effect of conversion of ICULS	27,113,031	32,017,004
Adjusted weighted average number of ordinary shares for calculating fully diluted earnings per ordinary share	228,720,306	219,036,554
	2010	**2009**
Fully diluted earnings per ordinary share (sen)	2.93	7.98 *

* Restated fully diluted earnings per ordinary share after adjusting for subdivision of shares [Note 24(a)].

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

14. PROPERTY, PLANT AND EQUIPMENT

The 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 of January 1, 2009	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 of December 31, 2009	3,519,496	49,295,569	184,644,648	14,339,817	288,434	2,390,770	20,800,190	275,278,924
Additions	-	748,336	4,783,730	1,206,604	-	236,096	6,077,241	13,052,007
Disposals	-	-	(200,024)	-	-	-	-	(200,024)
Write off	-	-	-	(15,289)	-	-	-	(15,289)
Reclassification	-	202,784	(44,262)	40,810	-	-	(199,332)	-
Net foreign currency exchange differences	-	(2,164,679)	(5,054,864)	(544,180)	-	(96,142)	(1,431,300)	(9,291,165)
As of December 31, 2010	3,519,496	48,082,010	184,129,228	15,027,762	288,434	2,530,724	25,246,799	278,824,453
Accumulated depreciation								
As of January 1, 2009	-	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 of December 31, 2009	-	10,327,861	99,597,285	7,828,396	73,254	1,063,746	-	118,890,542
Charge for the year	-	1,673,858	12,997,059	1,678,166	26,292	365,246	-	16,740,621
Disposals	-	-	(160,326)	-	-	-	-	(160,326)
Write off	-	-	-	(2,006)	-	-	-	(2,006)
Reclassification	-	466	(731)	265	-	-	-	-
Net foreign currency exchange differences	-	(102,078)	(793,957)	(153,013)	-	(40,879)	-	(1,089,927)
As of December 31, 2010	-	11,900,107	111,639,330	9,351,808	99,546	1,388,113	-	134,378,904
Net Book Value								
As of December 31, 2010	3,519,496	36,181,903	72,489,898	5,675,954	188,888	1,142,611	25,246,799	144,445,549
As of December 31, 2009	3,519,496	38,967,708	85,047,363	6,511,421	215,180	1,327,024	20,800,190	156,388,382

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

Staff costs of RM28,238 have been capitalised within additions of capital work-in progress of the Group in 2009.

Certain factory buildings of the Group with net carrying value of RM28,134,355 (2009: RM19,276,707) as of December 31, 2010 are charged to a licensed bank for facilities granted to a subsidiary as disclosed in Note 29.

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

	The Group	
	2010 RM	2009 RM
At cost:		
Plant and machinery	53,755,322	50,819,251
Factory and office equipment, furniture and fittings	5,823,315	5,017,744
Motor vehicles	524,759	417,126
	60,103,396	56,254,121

15. PREPAID LEASE PAYMENTS

The Group 2010	Long-term leasehold land RM	Short-term leasehold land RM	Total RM
At cost			
At beginning of year	1,731,254	13,575,096	15,306,350
Additions	-	-	-
Disposals	-	-	-
Net foreign currency exchange differences	-	(722,394)	(722,394)
At end of year	1,731,254	12,852,702	14,583,956
Accumulated amortisation			
At beginning of year	250,900	629,520	880,420
Amortisation for the year	29,892	198,470	228,362
Disposals	-	-	-
Net foreign currency exchange differences	-	(47,536)	(47,536)
At end of year	280,792	780,454	1,061,246
Net carrying amount	1,450,462	12,072,248	13,522,710

15. PREPAID LEASE PAYMENTS (cont'd)

The 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

Short-term leasehold land of a subsidiary with carrying amount of RM12,072,248 (2009: RM12,945,576) is charged to a licensed bank for facilities granted to a subsidiary as disclosed in Note 29.

16. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	2010 RM	2009 RM
Unquoted shares, at cost:		
In Malaysia	27,353,102	27,353,102
Outside Malaysia	40,818,534	37,618,534
	68,171,636	64,971,636

16. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	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	100	Investment holding.
Rubberex (Hong Kong) Limited *	Hong Kong	100	80	Trading of gloves and other latex products.
Lifestyle Investment (Hong Kong) Limited *	Hong Kong	100	100	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.

16. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %	Principal Activities
Held through Diamond Grip (M) Sdn. Bhd.				
Biogreen Medical Sdn. Bhd.	Malaysia	60	60	Manufacturing and sales of male latex condoms.
Held through Pioneer Vantage Limited				
LPL (Hui Zhou) Glove Co. Limited *	People's Republic of China	100	100	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	100	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 the remaining 20% equity interest in Rubberex (Hong Kong) Limited. The total purchase consideration for the acquisition amounted to RM5,600,000.

In the prior 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 30, are free of any interest charges but are subject to profit guarantee as disclosed in Note 35.

17. GOODWILL ON CONSOLIDATION

	The Group 2010 RM	The Group 2009 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 pre-tax cash flow projections based on a financial forecast approved by management covering a five year period from 2011 to 2015. The following key assumptions are used to generate the financial forecast:

Sales volume	Remained unchange
Inflation rate	2.25% per annum
Discount rate	9.19%

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 CGU and the allocated goodwill.

18. INVENTORIES

	The Group	
	2010	**2009**
	RM	**RM**
At cost:		
Finished goods	37,744,930	37,909,004
Raw materials	20,736,551	20,097,832
Trading goods	4,824,921	6,557,362
Packing materials	2,320,767	2,593,884
Parts and consumables	581,207	488,460
Work-in-progress	268,973	326,352
	66,477,349	67,972,894
At net realisable value:		
Finished goods	155,195	-
	66,632,544	67,972,894

The cost of inventories recognised as an expense during the year was RM296,507,103 (2009: RM255,161,432).

18. INVENTORIES (cont'd)

Included in cost of inventories recognised as an expense for the Group are as follows:

	2010 RM	2009 RM
Finished goods written down to net realisable value	115,308	-
Allowance for inventory obsolescence - finished goods	63,616	-
Raw materials written off	22,913	-
Packing materials written off	-	2,625

19. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade receivables	33,864,075	42,379,225	-	-
Less: Allowance for doubtful debts	(171,192)	(157,712)	-	-
	33,692,883	42,221,513	-	-
Other receivables	14,752,800	13,995,442	-	3,710,757
Amount owing by a related party (Note 20)	-	1,019,179	-	-
	48,445,683	57,236,134	-	3,710,757

The currency profile of trade and other receivables is as follows:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
USD	25,042,158	31,576,029	-	-
RMB	13,202,022	8,698,507	-	-
Euro	8,980,114	11,001,892	-	-
RM	1,288,269	5,698,424	-	3,710,757
GBP	82,978	109,008	-	-
HKD	21,334	26,546	-	-
Swiss Franc	-	283,440	-	-
	48,616,875	57,393,846	-	3,710,757

Trade receivables comprise amounts receivable for the sale of goods. The credit period granted on sale of goods ranged from 30 to 180 days (2009: 30 to 180 days). No interest is charged on overdue outstanding balances of trade receivables. An allowance has been made for estimated irrecoverable amounts of trade receivables of RM171,192 (2009: RM157,712) based on the past default experience of the Group.

19. TRADE AND OTHER RECEIVABLES (cont'd)

Other receivables comprise mainly advance payments of RM5,742,797 (2009: RM2,044,330) to Chinese Government for acquisition of land use rights in People's Republic of China of which the land title is yet to be obtained and advance payments of RM3,913,811 (2009: RM3,145,692) to suppliers for purchase of raw materials and property, plant and equipment, which are unsecured and interest-free.

Interest on advances granted to a former related party is charged at a rate of 5.56% (2009: Nil) per annum.

Movement in the allowance for doubtful debts is as follows:

	The Group	
	2010	**2009**
	RM	**RM**
Balance at beginning of year	157,712	219,341
Increase in allowance recognised in statements of omprehensive income	49,776	158,472
Amounts recovered during the year	-	(173,875)
Amounts written off	(11,543)	(47,377)
Net foreign currency exchange differences	(24,753)	1,151
Balance at end of year	171,192	157,712

Ageing of impaired trade receivables:

	The Group
	2010
	RM
More than 150 days	171,192

Included in trade receivables of the Group are receivables with total carrying amount of RM3,042,992 which are past due at the end of the reporting date for which the Group has not recognised an allowance for doubtful debts as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances nor does it has a legal right to offset against any amounts owed by the Group to the counterparty.

The Group seeks to maintain strict control over its outstanding trade receivables and has a credit period policy to minimise credit risk. Overdue balances are reviewed regularly by management at least twice per month.

19. TRADE AND OTHER RECEIVABLES (cont'd)

Ageing of trade receivables which are past due but not impaired at the end of the reporting date are as follows:

	The Group 2010 RM
1 - 30 days	68,506
31 - 60 days	1,101,882
61 - 90 days	619,770
91 - 120 days	671,945
More than 120 days	580,889
	3,042,992

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% (2009: 4.00% to 7.70%) per annum.

	The Company 2010 RM	The Company 2009 RM
Amount owing by subsidiary companies	162,469,949	173,553,259
Less: Amount due within 12 months (shown under current assets)	(44,959,128)	(173,553,259)
Non-current portion	117,510,821	-

The amount owing by subsidiary companies of the Company shown under current portion is repayable upon demand where the non-current portion is treated as net investment in foreign operations as the settlement is neither planned nor likely to occur in the foreseeable future.

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

	The Company 2010 RM	The Company 2009 RM
HKD	117,510,821	118,389,219
RM	44,959,128	55,164,040
	162,469,949	173,553,259

20. RELATED PARTY TRANSACTIONS (cont'd)

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

	The Company	
	2010	2009
	RM	RM
HKD	5,271,728	-
RM	4,083,510	-
	9,355,238	-

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		Relationships
Rich (HK) Foreign Trade Co. Ltd.	-	Companies in which 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:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Subsidiary companies				
Rubberex (M) Sdn. Berhad				
Net advances received	-	-	17,780,209	18,430,387
Interest on advances received	-	-	767,352	782,350
Biogreen Medical Sdn. Bhd.				
Interest on advances received	-	-	291,786	291,983
Net advances (granted)/received	-	-	(291,786)	600,000
Pioneer Vantage Limited				
Interest on advances received	-	-	3,222,360	3,555,686
Net advances granted	-	-	(19,946,447)	(10,947,606)
Lifestyle Investment (Hong Kong) Limited				
Interest on advances received	-	-	420,803	790,686
Advances granted	-	-	(2,459,898)	(21,065)

20. RELATED PARTY TRANSACTIONS (cont'd)

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Subsidiary companies				
Rubberex (Hong Kong) Limited				
Advances received	-	-	15,943,272	8,449,324
Interest on advances received	-	-	380,753	894,275
Dividend income	-	-	-	5,316,000
Diamond Grip (M) Sdn. Bhd.				
Dividend income	-	-	4,200,000	-
Advances (granted)/received	-	-	(3,200,000)	788,719
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	-	-

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel of the Group includes Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Group.

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:

	The Group	
	2010 RM	2009 RM
Short-term employee benefits	1,152,004	1,155,606
Post-employment benefits - Defined contribution plan	138,924	139,301
	1,290,928	1,294,907

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 RM4,800 (2009: RM255,370).

21. OTHER FINANCIAL ASSETS

	The Group	
	2010 RM	2009 RM
Financial derivatives - foreign currency forward contracts	278,156	-

The Group enters into foreign currency forward contracts in the normal course of business to manage its exposure against foreign currency fluctuation on foreign receipts.

During the financial year, the Group recognised a total gain of RM278,156 (2009: Nil) representing the fair values of the foreign currency forward contracts.

22. OTHER ASSETS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Refundable deposits	175,467	210,918	1,000	1,000
Prepaid expenses	353,384	434,406	-	-
	528,851	645,324	1,000	1,000

23. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Fixed deposits with a licensed bank	6,280,000	275,000	2,280,000	275,000
MTN Debt Service Reserve Account	526,557	497,750	526,557	497,750
MTN Disbursement Account	26,381	26,401	26,381	26,401
Cash and other bank balances	33,790,537	17,363,000	939,933	986,132
	40,623,475	18,162,151	3,772,871	1,785,283

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 Trustee Berhad.

The effective interest rates for fixed deposits ranged from 2.65% to 2.90% (2009: 2.90% to 3.20%) per annum. The fixed deposits have average maturity period of one to five months (2009: four months).

Fixed deposits of the Group and of the Company amounting to RM2,280,000 (2009: RM275,000) are pledged to a licensed bank as security for the MTN Programme.

23. FIXED DEPOSITS, CASH AND BANK BALANCES (cont'd)

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

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
USD	16,064,350	8,929,760	-	-
RM	11,819,641	2,825,536	3,772,871	1,785,283
Euro	6,206,999	3,920,249	-	-
HKD	3,794,855	592,250	-	-
RMB	2,710,188	1,755,044	-	-
GBP	27,442	139,312	-	-
	40,623,475	18,162,151	3,772,871	1,785,283

24. SHARE CAPITAL AND TREASURY SHARES

(a) Share Capital

		The Group and The Company			
	Par value RM	2010 Number of ordinary shares	2009 Number of ordinary shares	2010 RM	2009 RM
Authorised:					
At beginning of year	1.00	200,000,000	200,000,000	200,000,000	200,000,000
Effect of subdivision of shares		200,000,000	-	-	-
At end of year	1.00/ 0.50	400,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid:					
At beginning of year	1.00	98,623,917	83,109,524	98,623,917	83,109,524
Issued during the year:					
Conversion of ICULS	1.00	1,824,535	11,532,960	1,824,535	11,532,960
Exercise of share options under ESOS	1.00	-	3,981,334	-	3,981,334
Exercise of Warrants	1.00	1,000	99	1,000	99
	1.00	100,449,452	98,623,917	100,449,452	98,623,917
Effect of subdivision of shares		100,449,452	-	-	-
Issued during the year:					
Conversion of ICULS	0.50	1,254,884	-	627,442	-
Exercise of Warrants	0.50	2,000	-	1,000	-
At end of year	1.00/ 0.50	202,155,788	98,623,917	101,077,894	98,623,917

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

(a) Share Capital (cont'd)

(a) At an Extraordinary General Meeting held on January 22, 2010, the shareholders of the Company approved the 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

(b) During the financial year, the Company increased its issued and fully paid-up ordinary share capital from RM98,623,917 to RM101,077,894 by way of:

(i) issue of 1,824,535 new ordinary shares of RM1.00 each arising from the conversion of RM3,101,720 nominal value of 4%, 5-year ICULS at the conversion price of RM1.70 per ordinary share;

(ii) issue of 1,254,884 new ordinary shares of RM0.50 each arising from the conversion of RM1,066,658 nominal value of 4%, 5-year ICULS at the conversion price of RM0.85 per ordinary share;

(iii) issue of 1,000 new ordinary shares of RM1.00 each at an exercise price of RM1.70 per ordinary share arising from the exercise of Warrants; and

(iv) issue of 2,000 new ordinary shares of RM0.50 each at an exercise price of RM0.85 per ordinary share arising from the exercise of Warrants.

The resulting premium arising from the shares issued in (b) (i) and (ii) of RM1,359,024 and in (b) (iii) and (iv) of RM1,400 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.

(b) Treasury Shares

	The Group and The Company			
	2010 Number of shares	2009 Number of shares	2010 RM	2009 RM
At beginning of year	-	2,801,900	-	3,066,456
Repurchased during the year	90,000	1,859,800	85,067	2,866,190
Resold during the year	-	(4,661,700)	-	(5,932,646)
At end of year	90,000	-	85,067	-

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting ("AGM") held on May 27, 2010, 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.

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

(b) Treasury Shares (cont'd)

During the year, the Company repurchased 90,000 (2009: 1,859,800) ordinary shares from the open market of Bursa Malaysia Securities Berhad. The total amount paid for acquisition of shares was RM85,067 (2009: RM2,866,190) and has been deducted from equity. The average price paid for the shares repurchased was RM0.95 (2009: RM1.55) 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.

As of December 31, 2010, there are 90,000 treasury shares, after taking into effect of the subdivision of shares as in Note 24(a), held by the Company. The number of ordinary shares of RM0.50 each in issue and fully paid after excluding the Treasury Shares was 202,065,788.

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.

25. RESERVES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Non-distributable reserves:				
Share premium	24,063,448	22,703,024	24,063,448	22,703,024
Translation reserve	(6,897,132)	5,008,609	-	-
Capital reserve	(10,417,400)	(13,678,301)	-	-
Distributable reserve:				
Retained earnings/ (Accumulated losses)	23,622,442	22,935,616	(3,298,763)	12,234,477
	30,371,358	36,968,948	20,764,685	34,937,501

25. RESERVES (cont'd)

Share premium

Share premium arose from the following:

	The Group and The Company 2010 RM	The Group and The Company 2009 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 in 2009	1,316,464	1,316,464
Conversion of ICULS in 2009	6,109,673	6,109,673
Exercise of share options in 2009	1,950,854	1,950,854
Exercise of Warrants in 2009	69	69
Conversion of ICULS in 2010	1,359,024	-
Exercise of Warrants in 2010	1,400	-
	24,063,448	22,703,024

Translation reserve

Translation reserve represents the exchange differences arising on translation of financial statements of foreign subsidiary companies and arising on translation of monetary items receivable from a foreign operation for which settlement is neither planned nor likely to occur (thererfore, forming part of the net investment in the foreign operation) that are taken up in other comprehensive income and accumulated in equity. Such exchange differences are recognised as income or expense in the statements of comprehensive income, in the period in which the foreign subsidiary companies are disposed of.

Capital reserve

Capital reserve represents the excess of the purchase consideration for the acquisition of shares in the subsidiary companies from non-controlling interests, as mentioned in Note 16, over the share of the identifiable net assets of the subsidiary companies at the date of acquisition. The acquisition constitutes a capital transaction with owners, and the excess of purchase consideration over share of net assets is therefore recorded as a capital reserve.

Subsequent changes in the ownership interests in the subsidiary companies that do not result in a loss of control are also adjusted in capital reserve. Any differences between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received shall be recognised directly in capital reserve and attributed to the owners of the Company (controlling entity).

26. DIVIDEND

	The Group and The Company			
			Net dividend per share	
	2010 RM	2009 RM	2010 sen	2009 sen
First interim dividend paid - 6%, tax-exempt (2009: 7%, less tax)	5,917,435	4,216,150	6.00	5.25

An interim dividend of 6%, tax-exempt, amounting to RM5,917,435 was paid on January 22, 2010 in respect of the current financial year.

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

	The Group and The Company	
	2010 RM	2009 RM
At beginning of year	24,765,128	43,781,173
Coupon interest paid	(1,088,581)	(1,872,819)
Interest expense (Note 11)	162,789	375,738
Converted during the year	(3,651,420)	(17,518,964)
	20,187,916	24,765,128
Analysed into:		
Equity component	18,814,944	22,218,032
Liability component (Note 29)	1,372,972	2,547,096

During the financial year, RM3,101,720 (2009: RM19,606,048) and RM1,066,658 (2009: Nil) nominal value of ICULS were converted into 1,824,535 (2009: 11,532,960) ordinary shares of RM1.00 each and 1,254,884 (2009: Nil) ordinary shares of RM0.50 each at the conversion price of RM1.70 and RM0.85 per ordinary share respectively.

The ICULS and Warrants are governed by a Trust Deed and Deed Poll respectively dated June 29, 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 August 15, 2007 to maturity date on August 14, 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;

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

(c) The conversion price of RM0.85 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 RM0.85 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 RM0.85 per share;

(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 August 14, 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 of January 1, 2010	26,491,710
Exercise of Warrants	(1,000)
	26,490,710
Effect of subdivision of shares	26,490,710
Exercise of Warrants	(2,000)
Balance as of December 31, 2010	52,979,420

28. 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 People's Republic of China and in Malaysia.

The MTN Programme is secured by a charge over designated accounts opened by the Company as disclosed in Note 23.

29. BORROWINGS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Secured:				
Term loans	5,361,160	7,931,550	-	-
Revolving credit	21,052,532	7,877,558	-	-
Bills payable	6,958,380	2,185,790	-	-
Unsecured:				
Medium term notes (Note 28)	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	11,457,000	9,558,000	-	-
ICULS (liability component) (Note 27)	1,372,972	2,547,096	1,372,972	2,547,096
Bank overdrafts	2,984,242	107,170	-	-
	122,186,286	103,207,164	74,372,972	75,547,096
Less: Amount due within 12 months (shown under current liabilities)	(111,088,250)	(50,654,311)	(65,834,096)	(30,925,793)
Non-current portion	11,098,036	52,552,853	8,538,876	44,621,303

The non-current portion is repayable as follows:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
More than 1 year but not later than 2 years	11,098,036	30,309,898	8,538,876	25,984,960
More than 2 years but not later than 5 years	-	22,242,955	-	18,636,343
	11,098,036	52,552,853	8,538,876	44,621,303

29. BORROWINGS (cont'd)

Analysis of borrowings by currency is as follows:

The Group 2010	**Ringgit Malaysia RM**	**USD RM**	**RMB RM**	**Total RM**
Medium term notes	43,000,000	-	-	43,000,000
Revolving credit	30,000,000	8,116,632	12,935,900	51,052,532
Bills payable	11,457,000	1,579,412	5,378,968	18,415,380
Term loans	-	-	5,361,160	5,361,160
ICULS (liability component)	1,372,972	-	-	1,372,972
Bank overdrafts	2,984,242	-	-	2,984,242
	88,814,214	9,696,044	23,676,028	122,186,286

The Group 2009	**Ringgit Malaysia RM**	**USD RM**	**RMB 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

Borrowings of the Company are denominated in Ringgit Malaysia.

The effective interest rates per annum are as follows:

	The Group		**The Company**	
	2010 %	**2009 %**	**2010 %**	**2009 %**
Medium term notes	7.50 - 7.70	7.50 - 7.70	7.50 - 7.70	7.50 - 7.70
Revolving credit	4.00 - 7.25	6.50 - 7.75	7.25	7.75
Bills payable	3.50 - 5.86	3.40 - 4.20	-	-
Term loans	5.94	5.36 - 11.56	-	-
ICULS	6.39	6.39	6.39	6.39
Bank overdrafts	6.80 - 7.05	6.80 - 7.50	-	-

29. BORROWINGS (cont'd)

The Group has three term loans:

(a) a two (2) year term loan of RMB13,500,000 (2009: RMB13,500,000) which was repayable by four (4) equal quarterly instalments of RMB375,000 commencing August 30, 2008 and sixteen (16) equal quarterly instalments of RMB843,750 commencing August 30, 2009. This term loan has been fully repaid during the year;

(b) a three (3) year term loan of RMB4,000,000 (2009: RMB4,000,000) which was repayable by twenty nine (29) monthly instalments of RMB130,005 and final instalment of RMB230,000 commencing March 11, 2010; and

(c) a three (3) year term loan of RMB11,000,000 (2009: Nil) which was repayable by twenty nine (29) monthly instalments of RMB370,000 and final instalment of RMB270,000 commencing July 21, 2010.

As of December 31, 2010, banking facilities of the Group and of the Company are as follows:

	The Group		The Company	
	2010	2009	2010	2009
Secured:				
Revolving credit (RMB)	43,400,000	-	-	-
Bills payable (RMB)	20,000,000	5,000,000	-	-
Term loans (RMB)	15,000,000	17,500,000	-	-
Revolving credit (USD)	3,000,000	2,300,000	-	-
Term loans (USD)	-	250,000	-	-
Unsecured:				
Bank overdrafts and other banking facilities (RM)	184,500,000	131,500,000	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 as disclosed in Note 14.

30. TRADE AND OTHER PAYABLES

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Trade payables	14,654,564	17,142,022	-	-
Other payables for consumables, utilities, services, maintenance of property, plant and equipment and advances received	10,912,092	10,541,286	37,342	42,524
Amount payable to vendors for acquisition of additional shares in subsidiary companies	9,600,000	12,000,000	9,600,000	12,000,000
	35,166,656	39,683,308	9,637,342	12,042,524
Less: Amount due within 12 months (shown under current liabilities)	(27,966,656)	(30,083,308)	(2,437,342)	(2,442,524)
Non-current portion	7,200,000	9,600,000	7,200,000	9,600,000

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

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
More than one year but not later than two years	2,400,000	2,400,000	2,400,000	2,400,000
More than two years but not later than five years	4,800,000	7,200,000	4,800,000	7,200,000
	7,200,000	9,600,000	7,200,000	9,600,000

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

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
RM	17,928,288	19,967,495	9,637,342	12,042,524
RMB	9,478,216	10,980,039	-	-
USD	5,797,455	6,207,576	-	-
HKD	1,106,584	1,817,723	-	-
Euro	847,471	700,535	-	-
GBP	8,642	9,940	-	-
	35,166,656	39,683,308	9,637,342	12,042,524

30. TRADE AND OTHER PAYABLES (cont'd)

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 (2009: 30 to 60 days). No interest is charged on overdue outstanding balances of trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Included in other payables of the Group is an amount of RM3,962,167 (2009: RM4,307,951) representing amount payable for purchase of property, plant and equipment by the subsidiary companies in 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.

31. OTHER LIABILITIES - ACCRUED EXPENSES

The currency profile of accrued expenses is as follows:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
RM	3,438,269	4,857,635	880,126	1,047,580
RMB	3,264,379	4,270,471	-	-
Euro	275,010	335,168	-	-
HKD	199,834	53,437	-	-
GBP	7,754	20,029	-	-
	7,185,246	9,536,740	880,126	1,047,580

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments as of December 31, 2010

	The Group RM	The Company RM
Financial assets		
Loans and receivables:		
Trade and other receivables	48,445,683	-
Amount owing by subsidiary companies	-	44,959,128
Derivative assets - foreign currency forward contracts	278,156	-
Cash and cash equivalents - fixed deposits, cash and bank balances	40,623,475	3,772,871
Financial liabilities		
Amortised cost:		
Trade and other payables	35,166,656	9,637,342
Other liabilities - accrued expenses	7,185,246	880,126
Amount owing to subsidiary companies	-	9,355,238
Borrowings	122,186,286	74,372,972

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, market risk, credit risk, liquidity risk and cash flow risk. The principal objective of the Group and of the Company is to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

(a) Market risk

The Group and the Company are exposed primarily to the risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's and the Company's exposure to market risks or the manner in which these risks are managed and measured.

(i) Foreign currency risk management

The Group transacts business in various foreign currencies including USD, Euro, RMB, HKD and GBP and therefore, is exposed to foreign exchange risk. The Group enters into foreign currency forward contracts to manage its exposure against foreign currency fluctuations on foreign receipts.

The carrying amounts of the foreign currency denominated monetary assets and liabilities of the Group at the end of the reporting date are disclosed in Notes 19, 20, 23, 29 and 30.

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of USD, Euro, RMB and HKD while the Company is mainly exposed to the currency of HKD. The management considers that the impact of other currencies to be minimal.

The following table details the sensitivity of the Group to a 1% increase and decrease in RM against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates in the next 12 months.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 1% change in foreign currency rates. A negative number below indicates a decrease in profit and other equity where RM strengthens 1% against the respective currencies. For a 1% weakening of RM against the respective currencies there would be an increase or decrease in profit and other equity, and the balances below would be positive for net monetary assets or negative for net monetary liabilities respectively.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

The Group	**2010 (RM)**	
	Profit or loss	**Other equity**
USD impact	256,129	-
Euro impact	42,625	96,466
HKD impact	10	25,088
RMB impact	-	(205,064)
GBP impact	328	85
The Company		
HKD impact	1,122,391	-

The above impacts are mainly attributable to the exposure on the respective currencies on the financial instruments outstanding at the end of the reporting date in the Group and in the Company. In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk management

The Group and the Company finance its operations by a mixture of internal funds and bank and other borrowings. The Group and the Company regularly review 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 of 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 and of the Company are 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.

The details of the Group's and of the Company's borrowings are as disclosed in Note 29.

Interest rate sensitivity analysis

For illustration purposes, if the annual effective interest rates increase/decrease by the following rates for the respective borrowings with all other variable including tax rate being held constant, the profit will be lower/higher by RM202,212:

Bills payable:	
Malaysia	0.20%
People's Republic of China	0.35%
Bank overdrafts:	
Malaysia	0.20%
Revolving credit:	
Malaysia	0.19%
People's Republic of China	0.45%
Hong Kong	0.29%

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Credit risk management

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

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position.

There is no other class of financial assets that is past due and/or impaired except for trade receivables which is disclosed in Note 19.

(c) Liquidity and cash flow risks management

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

The Group and the Company expect that the cash generated from its operations, its existing credit facilities and the trade terms provided by its suppliers will be sufficient to meet the Group's and the Company's currently anticipated capital expenditure and working capital needs for at least the next 12 months. The Group and the Company may consider opportunities to obtain additional funds to support its working capital requirements and capital expenditures, or may seek to raise additional funds through equity financing.

The Group has credit facilities of approximately RM56,707,000 which are unused at the end of the reporting date.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Liquidity and cash flow risks management* (cont'd)

The maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations are as follows:

The Group	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
Non-derivative financial assets:				
Loans and receivables	48,445,683	-	-	48,445,683
Fixed deposits, cash and bank balances	40,623,475	-	-	40,623,475
Derivatives financial assets:				
Foreign currency forward contracts	278,156	-	-	278,156
Total undiscounted financial assets	89,347,314	-	-	89,347,314
Non-derivative financial liabilities:				
Other financial liabilities at amortised cost	144,867,180	18,298,036	-	163,165,216
Derivative financial liabilities:				
Compound instrument - ICULS (liability component)	1,372,972	-	-	1,372,972
Total undiscounted financial liabilities	146,240,152	18,298,036	-	164,538,188
Total net undiscounted financial liabilities	(56,892,838)	(18,298,036)	-	(75,190,874)

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) Liquidity and cash flow risks management (cont'd)

The Company	**On demand or within one year RM**	**One year to five years RM**	**Over five years RM**	**Total RM**
Non-derivative financial assets:				
Loans and receivables	44,959,128	-	-	44,959,128
Fixed deposits, cash and bank balances	3,772,871	-	-	3,772,871
Total undiscounted financial assets	48,731,999	-	-	48,731,999
Non-derivative financial liabilities:				
Other financial liabilities at amortised cost	77,133,830	15,738,876	-	92,872,706
Derivative financial liabilities:				
Compound instrument - ICULS (liability component)	1,372,972	-	-	1,372,972
Total undiscounted financial liabilities	78,506,802	15,738,876	-	94,245,678
Total net undiscounted financial liabilities	(29,774,803)	(15,738,876)	-	(45,513,679)

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2009.

The capital structure of the Group and of the Company consist of net debts and equity. The Group and the Company are not subject to any externally imposed capital requirements.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Gearing ratio

The gearing ratio at the reporting date is as follows:

	The Group 2010 RM	The Company 2010 RM
Debt (i)	122,186,286	74,372,972
Fixed deposits, cash and bank balances	(40,623,475)	(3,772,871)
Net debt	81,562,811	70,600,101
Equity (ii)	150,179,129	140,572,456
Net debt to equity ratio	0.54	0.50

(i) Debt is defined as borrowings.
(ii) Equity includes all capital and reserves of the Group and of the Company that are managed as capital.

Fair values of financial instruments

Foreign exchange forward contracts

The notional amounts and estimated fair values of the Group's foreign currency forward contracts outstanding at the reporting date are as follows:

The Group

	Foreign currency 2010	Foreign currency 2009	Notional value 2010 RM	Notional value 2009 RM	Fair value 2010 RM	Fair value 2009 RM
Outstanding contracts						
Sell USD	6,650,000	5,409,196	20,754,000	18,643,762	183,284	119,473
Sell Euro	2,900,000	4,053,505	11,939,600	20,486,263	94,872	476,923
					278,156	596,396

The fair values are calculated by reference to the current rates for contracts with similar maturity profiles.

Financial instruments carried at amortised cost

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

The fair value 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 term loans.

The fair values of other payables (non-current portion) are estimated using discounted cash flow analysis based on weighted average cost of capital of the Group. There is no material difference between the carrying amounts and the estimated fair values of other payables (non-current portion).

33. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group	
	2010	2009
	RM	RM
Cash purchase	9,089,840	28,043,263
Balance outstanding:		
Included in other payables	3,962,167	4,307,951
	13,052,007	32,351,214

(b) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include fixed deposits, cash on hand and in banks and net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting date as shown in the statement of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Fixed deposits	6,280,000	275,000	2,280,000	275,000
MTN Debt Service Reserve Account	526,557	497,750	526,557	497,750
MTN Disbursement Account	26,381	26,401	26,381	26,401
Cash and other bank balances	33,790,537	17,363,000	939,933	986,132
Bank overdrafts	(2,984,242)	(107,170)	-	-
	37,639,233	18,054,981	3,772,871	1,785,283
Less:				
Fixed deposits pledged to bank	(2,280,000)	(275,000)	(2,280,000)	(275,000)
MTN Debt Service Reserve Account charged to Malaysian Trustee Berhad	(526,557)	(497,750)	(526,557)	(497,750)
MTN Disbursement Account charged to Malaysian Trustee Berhad	(26,381)	(26,401)	(26,381)	(26,401)
	34,806,295	17,255,830	939,933	986,132

34. CAPITAL COMMITMENTS

As of December 31, 2010, the Group has the following capital expenditure in respect of property, plant and equipment:

	The Group	
	2010	2009
	RM	RM
Capital expenditure:		
Approved and contracted for	5,494,401	7,732,685

35. OPERATING LEASE ARRANGEMENTS

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Group	
	2010	2009
	RM	RM
Within one year	81,413	52,166
In the second to third year inclusive	41,096	6,320
	122,509	58,486

Operating lease payments represent rentals payable by the Group for hostels. Leases are negotiated for terms which range from one to three years (2009: one to two years) with an option to renew the lease after that date.

36. PROFIT GUARANTEE

On June 8, 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 April 30, 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 December 31, 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 30. During the financial year, RM2.4 million was adjusted against the GRA held under other payables relating to contingent consideration under this profit guarantee scheme. As of December 31, 2010, total carrying amount of GRA amounted to RM9,600,000.

37. SUBSEQUENT EVENT

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

(a) An interim dividend of 2.5 sen per ordinary share, less tax, amounting to RM3,788,742 was paid on January 24,2011 in respect of financial year ending December 31, 2011; and

(b) A subsidiary company, Rubberex (M) Sdn. Berhad ("RMSB") acquired the remaining 300,000 ordinary shares of RM1 each representing 30% of the issued and fully paid-up share capital of Rubberex Marketing (M) Sdn. Bhd. ("RMMSB"), for a total consideration of RM572,626. Consequent to the acquisition, RMMSB became a wholly-owned subsidiary of RMSB.

38. COMPARATIVE FIGURES

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

	The Group	
	As previously reported RM	As restated RM
For the financial year ended December 31, 2009		
Statement of Cash Flows		
Movements in working capital:		
Trade and other receivables	(12,138,038)	(10,093,708)
Trade and other payables	3,302,989	(1,004,962)
Cash Flows From/(Used) In Investing Activities:		
Purchase of property, plant and equipment	(32,351,214)	(28,043,263)
Advance payments paid to purchase land use rights	-	(2,044,330)

39. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS/LOSSES

On March 25, 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as of the end of the reporting date, into realised and unrealised profits or losses.

On December 20, 2010, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of disclosure.

39. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS/LOSSES (cont'd)

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as of December 31, 2010 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group RM	The Company RM
Total retained earnings of the Company and its subsidiary companies		
Realised	37,554,188	11,258,120
Unrealised	(16,422,107)	(14,556,883)
	21,132,081	(3,298,763)
Add: Consolidation adjustments	2,490,361	-
Total retained earnings/(accumulated losses) as per statements of financial position	23,622,442	(3,298,763)

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Malaysia on March 25, 2010.

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements" as issued by the Malaysian Institute of Accountants on December 20, 2010. A charge or a credit to the statements of comprehensive income of a legal entity is deemed realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the statements of comprehensive income upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia and is not made for any other purposes.

Statement by Directors

The directors of **RUBBEREX CORPORATION (M) BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of 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 of December 31, 2010 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 39, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors,

MR. PING KOK KOH

DATO' MOHAMED BIN HAMZAH

Ipoh,
15 April 2011

Declaration by the Officer

Primarily Responsible for the Financial Management of the Company

I, MR. KHOO CHIN LENG, the officer primarily responsible for the financial management of **RUBBEREX CORPORATION (M) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements 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.

MR. KHOO CHIN LENG

Subscribed and solemnly declared by the abovenamed
MR. KHOO CHIN LENG at IPOH this 15th day of April 2011.

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 2010

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]	16.5/3,520
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	12.0/1,201
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	3.0/249
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	5.0/7,627
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	4.0/4,445
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]	16.5/3,338
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	12.0/4,710
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	5.0/28,134

Rubberex
Corporation (M) Berhad

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 Fifteenth Annual General Meeting of the Company to be held at Bonzai A – Level 4, Syuen Hotel Ipoh, 88 Jalan Sultan Abdul Jalil, Greentown, 30300 Ipoh, Perak Darul Ridzuan on Friday, 27 May 2011 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 2010		
2.	To approve the payment of Directors' fees		
3.	Re-election of Director – Ping Kok Koh		
4.	Re-election of Director – Poh Choo Lim		
5.	Re-appointment of Director – Dato' Mohamed bin Hamzah		
6.	To appoint Auditors and to authorise the Directors to fix their remuneration		
7.	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		
8.	Special Resolution on Proposed Amendment to Article 145 of the Articles of Association 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 ______________2011

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.