Rubberex Corporation (M) Berhad
199601000297 (372642-U)

Annual Report 2021

Table of Contents...

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting ("26th AGM") of **RUBBEREX CORPORATION (M) BERHAD** ("**Rubberex**" or the "**Company**") will be conducted fully virtual through online meeting platform via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC:D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on Friday, 27 May 2022 at 10.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon.	**(Please refer to Explanatory Note 1)**
2.	To approve the payment of additional Directors' Benefits amounting to RM6,000.00 to the Non-Executive Directors for the period from 29 May 2021 until 27 May 2022.	**(Resolution 1)**
3.	To approve the payment of Directors' Fees of up to RM300,000.00 to the Non-Executive Directors for the financial year ending 31 December 2022.	**(Resolution 2)**
4.	To approve the payment of Directors' Benefits of up to RM30,000.00 to the Non-Executive Directors for the period from 28 May 2022 until the Twenty-Seventh Annual General Meeting of the Company to be held in 2023.	**(Resolution 3)**
5.	To re-elect the following Directors who are retiring in accordance with the Constitution of the Company and being eligible, have offered themselves for re-election:	
	(i) Mr. Khoo Chin Leng [Clause 76(3)]	**(Resolution 4)**
	(ii) Dato' Ong Choo Meng [Clause 76(3)]	**(Resolution 5)**
	(iii) Mr. Liew Jee Min @ Chong Jee Min [Clause 78]	**(Resolution 6)**
	(iv) Mr. Goh Hsu-Ming [Clause 78]	**(Resolution 7)**
6.	To re-appoint Messrs Deloitte PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration.	**(Resolution 8)**

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications, the following Ordinary Resolutions:-

7.	**CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR - DATO' MOHAMED BIN HAMZAH** "THAT authority be and is hereby given to Dato' Mohamed Bin Hamzah who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company in accordance with Malaysian Code on Corporate Governance."	**(Resolution 9)**

Notice of Annual General Meeting (cont'd)

8. **AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 ("ACT")** **(Resolution 10)**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;

b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or

c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

Notice of Annual General Meeting (cont'd)

9. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** **(Resolution 11)**

"THAT, subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase;

("Proposed Share Buy-Back")

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

(i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

Notice of Annual General Meeting
(cont'd)

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

(i) To cancel all or part of the Purchased Shares;

(ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;

(iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;

(iv) To resell all or part of the treasury shares;

(v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;

(vi) To transfer all or part of the treasury shares as purchase consideration;

(vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or

(viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

10. To transact any other business of which due notice is given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

CHONG LAY KIM (SSM PC NO. 202008001920) (LS 0008373)
YENG SHI MEI (SSM PC NO. 202008001282) (MAICSA 7059759)
Secretaries

Ipoh
28 April 2022

Notice of Annual General Meeting (cont'd)

Notes:

1. **IMPORTANT NOTICE**

   Shareholders **WILL NOT BE ALLOWED** to attend the 26th AGM in person on the day of the meeting as the 26th AGM will be conducted on a fully virtual basis. According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.

   Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 26th AGM using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at https://tiih.online.

   Please read these Notes carefully and follow the procedures in the Administrative Guide for 26th AGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 19 May 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

3. A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to attend and vote instead of the member at the general meeting.

5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

8. A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Guide for 26th AGM.

Notice of Annual General Meeting (cont'd)

9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

   (i) In hard copy form
   In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) By electronics means
   The Form of Proxy can be electronically lodged with the Company's Share Registrar via TIIH Online website at https://tiih.online. Kindly refer to the Administrative Guide for the 26th AGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online.

10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.

12. Last date and time for lodging the Form of Proxy is **Wednesday, 25 May 2022 at 10.00 a.m.**

13. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

   i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

   ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

      a. at least two (2) authorised officers, of whom one shall be a director; or
      b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

14. Shareholders are advised to check the Company's website at www.rubberex-corp.com.my and announcements from time to time for any changes to the administration of the 26th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

Notice of Annual General Meeting (cont'd)

A. Explanatory Notes on the Ordinary Business:

1. Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. **Proposed Resolution 1:**

   The Proposed Resolution 1 is to facilitate the payment of the under provision of the Directors' Benefits amounting to RM6,000.00 for the period from 29 May 2021 until 27 May 2022 due to more meetings were held during the said period. The Company had obtained the Shareholders' approval on the Directors' Benefits in the Twenty-Fifth Annual General Meeting ("25th AGM") held on 28 May 2021 for an amount of RM30,000.00.

3. **Proposed Resolution 2:**

   The Directors' Fees proposed for the financial year ending 31 December 2022 are calculated based on the current board size and in accordance to the Company's policy guidelines and with reference to external industrial benchmark reports. In the event the Directors' Fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting ("AGM") for additional fees to meet the shortfall.

4. **Proposed Resolution 3:**

   The benefits are calculated based on the current board size and the number of scheduled Board and Committee meetings for the period from 28 May 2022 until the 27th AGM of the Company to be held in 2023. In the event the proposed amount is insufficient, (e.g. due to enlarged Board size or more meetings), approval will be sought at the next AGM for the shortfall.

5. **Proposed Resolutions 4, 5, 6 and 7**

   Mr. Khoo Chin Leng, Dato' Ong Choo Meng, Mr. Liew Jee Min @ Chong Jee Min and Mr. Goh Hsu-Ming are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 26th AGM.

   The Board of Directors ("the Board") has through the Nomination Committee ("NC"), considered the performance and contribution of each of the retiring Directors and collectively agreed that they meet the criteria prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") on skill, expertise, experience, professionalism, commitment, integrity, character, competence and time to effectively discharge their role as Directors.

   The Board has endorsed the NC's recommendation to seek shareholders' approval for the re-election of the retiring Directors.

   The details and profiles of Directors seeking re-election are set out in the Directors' Profiles section of the Company's Annual Report 2021 at pages 18 and 19.

6. **Proposed Resolution 8**

   The Board has through the Audit Committee ("AC"), considered the re-appointment of Messrs Deloitte PLT as Auditors of the Company. The factors considered by the AC in making the recommendation to the Board to table their re-appointment at the 26th AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report 2021.

Notice of Annual General Meeting (cont'd)

B. Explanatory Notes on the Special Business:

1. **Proposed Resolution 9**

Pursuant to the Malaysian Code on Corporate Governance, the Board of Directors has via the Nomination Committee assessed the independence of Dato' Mohamed Bin Hamzah, who would have served as an Independent Non-Executive Director of the Company for twenty-six (26) years on 23 October 2022, and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

a. He fulfilled the criteria under the definition of "Independent Director" stated in the MMLR, and is able to bring independent and objective judgement to the Board;

b. He has been with the Company for more than nine (9) years and has strong understanding of the Company's business operations which enables him to participate actively and contribute during deliberations at Audit Committee and Board meetings; and

c. He has exercised due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the Company will adopt the two-tier voting process in seeking shareholders' approval for the proposed Resolution 9.

2. **Proposed Resolution 10**

The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option of offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed General Mandate").

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investments projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company has issued and allotted 83,227,500 new ordinary shares of the Company at an issue price of RM0.80 per share on 30 July 2021 under private placement made pursuant to the Proposed 20% General Mandate, which was approved by the shareholders at the 25th AGM held on 28 May 2021 and will lapse at the conclusion of the forthcoming 26th AGM to be held on 27 May 2022.

Notice of Annual General Meeting (cont'd)

B. Explanatory Notes on the Special Business: (Cont'd)

2. **Proposed Resolution 10 (Cont'd)**

Details of the total proceeds amounting to RM66,582,000.00 raised pursuant to the Proposed General Mandate are as follows:-

Utilisation Purposes	Proposed Utilisation (RM)	Actual Utilisation (RM)	Balance (RM)	Timeframe for Utilisation
Acquisition of double-formers nitrile disposable glove production lines	66,024,000	–	66,024,000	Within 24 months
Estimated expenses for the Proposed Private Placement	558,000	558,000	–	Immediately
Total	**66,582,000**	**558,000**	**66,024,000**	

3. **Proposed Resolution 11**

The proposed Resolution 11, if passed, will empower the Company to purchase up to ten per centum (10%) of the issued share capital of the Company through Bursa Malaysia Securities Berhad.

For further information, please refer to the Statement to Shareholders dated 28 April 2022.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

As at date of this notice, there are no individuals who are standing for election as Directors at this Twenty-Sixth Annual General Meeting.

ADMINISTRATIVE GUIDE

For the Twenty-Sixth Annual General Meeting ("26th AGM") of
Rubberex Corporation (M) Berhad ("Rubberex" or the "Company")

Date	:	Friday, 27 May 2022
Time	:	10.00 a.m.
Online Meeting Platform	:	TIIH Online website at https://tiih.online or http://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. Malaysia

PRECAUTIONARY MEASURES AGAINST THE CORONAVIRUS DISEASE ("COVID-19") AND MODE OF MEETING

- In view of the pro-longed COVID-19 outbreak and as part of the safety measures, the Company has decided to conduct the 26th Annual General Meeting ("26th AGM") fully virtual through online meeting platform via TIIH Online website at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn. Bhd. This is in line with the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers revised by the Securities Commission Malaysia on 16 July 2021 ("Revised Guidance Note and FAQ"), including any amendment that may be made from time to time.

- Pursuant to the Revised Guidance and FAQ, the online meeting platform used to conduct the meeting can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 ("the Act") provided that the online platform is located in Malaysia.

- The Company will continue to observe the guidelines issued by the Government of Malaysia, Ministry of Health, Malaysian National Security Council, Securities Commission and/or other relevant authorities, and will take all relevant precautionary measures as advised.

SHAREHOLDERS' PARTICIPATION AT THE 26TH AGM VIA REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")

- Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 26th AGM using the RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor").

- The RPV are available on Tricor's **TIIH Online** website at https://tiih.online.

- We **strongly encourage** you to participate the 26th AGM via the RPV. You may also consider appointing the Chairman of the meeting as your proxy to attend and vote on your behalf at the 26th AGM.

- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES FOR RPV

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 26th AGM using the RPV:-

Procedure		Action
BEFORE THE 26TH AGM DAY		
i.	Register as a user with TIIH Online	▪ Using your computer, access the website at https://tiih.online. Register as a user under the "**e-Services**" by selecting "**Create Account by Individual Holder**". Refer to the tutorial guide posted on the homepage for assistance. ▪ Registration as a user will be approved within one (1) working day and you will be notified via email. ▪ If you are already a user with TIIH Online, you are not required to register again. ▪ You will receive an email to notify you that the remote participation is available for registration at TIIH Online.

Administrative Guide (cont'd)

PROCEDURES FOR RPV (CONT'D)

	Procedure	Action
BEFORE THE 26TH AGM DAY		
ii.	Submit your request to attend the 26th AGM remotely	▪ Registration is open from **10.00 a.m. on Thursday, 28 April 2022** until the day of the 26th AGM on Friday, 27 May 2022. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 26th AGM to ascertain their eligibility to participate the 26th AGM using the RPV facilities. ▪ Login with your user ID (i.e. email address) and password and select the corporate event: "**(Registration) RUBBEREX 26TH AGM**". ▪ Read and agree to the Terms & Conditions and confirm the Declaration. ▪ Select "Register for Remote Participation and Voting". ▪ Review your registration and proceed to register. ▪ System will send an **email to notify** that your registration for remote participation is received and will be verified. ▪ After verification of your registration against the Record of Depositors as at **19 May 2022**, the system will send you an **email after 25 May 2022 to approve or reject** your registration for remote participation. *(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).*
ON THE 26TH AGM DAY		
i.	Login to TIIH Online	▪ Login with your user ID and password for remote participation at the 26th AGM at any time from 9.00 a.m., i.e. 1 hour before the commencement of meeting at 10.00 a.m. on Friday, 27 May 2022.
ii.	Participate through live streaming	▪ Select the corporate event: "**(Live Stream Meeting) RUBBEREX 26TH AGM**" to engage in the proceedings of the 26th AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 26th AGM. If there is time constraint, the responses will be emailed to you at the earliest possible, after the meeting.
iii.	Online remote voting	▪ Voting session commences from 10.00 a.m. on Friday, **27 May 2022** until a time when the Chairman announces the end of the voting session. ▪ Select the corporate event: "**(Remote Voting) RUBBEREX 26TH AGM**" or if you are on the live stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the Query Box. ▪ Read and agree to the Terms & Conditions and confirm the Declaration. ▪ Select the CDS account that represents your shareholdings. ▪ Indicate your votes for the resolutions that are tabled for voting. ▪ Confirm and submit your votes.
iv.	End of remote participation	▪ Upon the announcement by the Chairman on the conclusion of the 26th AGM, the live streaming will end.

Administrative Guide (cont'd)

NOTE TO USERS OF THE RPV:-

(i) Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

(ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

(iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-4080 5616 / 011-4080 3168 / 011-4080 3169 / 011-4080 3170 or email to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

- Only members whose names appear on the Record of Depositors ("ROD") as at **19 May 2022** shall be entitled to attend, speak (in the form of real time submission of typed texts) and vote in the 26th AGM or appoint a proxy(ies)/ corporate representative(s)/attorney(s) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

- In view that the 26th AGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

- If you wish to participate in the 26th AGM yourself, please do not submit any Form of Proxy for the 26th AGM. You will not be allowed to participate in the 26th AGM together with a proxy appointed by you.

- Accordingly, Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/ attorney for the 26th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 25 May 2022** at **10.00 a.m.** :-

  (i) **In hard copy:-**
  By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

  (ii) **By electronic form:-**
  All shareholders can have the option to submit Form of Proxy electronically via TIIH Online and the steps to submit are summarised below:-

Procedure	Action
I. Steps for Individual Shareholders	
Register as a User with TIIH Online	▪ Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. ▪ If you are already a user with TIIH Online, you are not required to register again.

Administrative Guide
(cont'd)

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE (CONT'D)

Procedure	Action
I. Steps for Individual Shareholders	
Proceed with submission of Form of Proxy	▪ After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. ▪ Select the corporate event: "**RUBBEREX 26TH AGM - Submission of Proxy Form**". ▪ Read and agree to the Terms & Conditions and confirm the Declaration. ▪ Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. ▪ Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. ▪ Review and confirm your proxy(ies) appointment. ▪ Print the Form of Proxy for your record.
II. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	▪ Access TIIH Online at https://tiih.online. ▪ Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "**Create Account by Representative of Corporate Holder**". ▪ Complete the registration form and upload the required documents. ▪ Registration will be verified, and you will be notified by email within one (1) to two (2) working days. ▪ Proceed to activate your account with the temporary password given in the email and re-set your own password. *Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar, Tricor, if you need clarifications on the user registration.*
Proceed with submission of Form of Proxy	▪ Login to TIIH Online at https://tiih.online. ▪ Select the corporate exercise name: "**RUBBEREX 26TH AGM - Submission of Proxy Form**" ▪ Agree to the Terms & Conditions and Declaration. ▪ Proceed to download the file format for "**Submission of Proxy Form**" in accordance with the Guidance Note set therein. ▪ Prepare the file for the appointment of proxies by inserting the required data. ▪ Proceed to upload the duly completed proxy appointment file. ▪ Select "Submit" to complete your submission. ▪ Print the confirmation report of your submission for your record.

Administrative Guide
(cont'd)

VOTING AT MEETING

- The voting at the 26th AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Company has appointed Tricor to conduct the poll voting and Asia Securities Sdn. Bhd. as Independent Scrutineers to verify the poll results.

- Shareholders or proxy(ies) or corporate representative(s) or attorney(s) can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the 26th AGM at 10.00 a.m. Kindly refer to "**Procedures for RPV**" provided above for guidance on how to vote remotely via TIIH Online website at https://tiih.online.

- Upon completion of the voting session for the 26th AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

RESULTS OF THE VOTING

- The resolutions proposed at the 26th AGM and the results of the voting will be announced at the 26th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

NO DOOR GIFT

- There will be no distribution of door gifts for the 26th AGM.

- The Company would like to thank all its shareholders for their co-operation and understanding in these challenging times.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

- In order to enhance the efficiency of the proceedings of the 26th AGM, shareholders may in advance, before the 26th AGM, submit questions to the Board of Directors via Tricor's TIIH Online website at https://tiih.online, by selecting "**e-Services**" to login, post your questions and submit it electronically no later than **Wednesday, 25 May 2022** at **10.00 a.m.** The Board of Directors will endeavor to address the questions received at the 26th AGM.

ENQUIRY

- If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor at +603-2783 9299 during office hours, i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday).

CORPORATE INFORMATION

DIRECTORS

LIEW JEE MIN @ CHONG JEE MIN
Independent, Non-Executive, Chairman
(Appointed on 12 August 2021)

Y. BHG. DATO' MOHAMED BIN HAMZAH
Independent, Non-Executive, Deputy Chairman

KHOO CHIN LENG
Group Managing Director

LIM CHEE LIP
Executive Director

GOH HSU-MING
Executive Director
(Appointed 05 August 2021)

Y. BHG. DATO' ONG CHOO MENG
Non-independent, Non-Executive

Y. BHG. DATO' CHAN CHOUN SIEN
Independent, Non-Executive

COMPANY SECRETARIES

Chong Lay Kim
(SSM PC No. 202008001920)
(LS 0008373)

Yeng Shi Mei
(SSM PC No. 202008001282)
(MAICSA 7059759)

AUDITOR

Deloitte PLT,
Chartered Accountants

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
RHB Bank Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad
Caixabank S.A.
Sabadell Atlantico S.A.

REGISTERED OFFICE

41, Jalan Medan Ipoh 6,
Bandar Baru Medan Ipoh,
31400 Ipoh, Perak Darul Ridzuan.
Tel no. : 605 548 0888
Fax no. : 605 545 9222

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01 Level 32 Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
8 Jalan Kerinchi,
59200 Kuala Lumpur, Wilayah Persekutuan.

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Stock name/code: RUBEREX/7803

WEBSITES

www.rubberex.com.my
www.rubberex-corp.com.my

CORPORATE STRUCTURE

HEXTAR RUBBER SDN BHD
(Malaysia)

RUBBEREX CORPORATION (M) BERHAD
(Malaysia)
Incorporated in 1996
Public Listed Company on Malaysia Stock Exchange

Rubberex (M) Sdn Berhad
(Malaysia)
Manufacturing and Sales of Household and Industrial Gloves

Rubberex Spain SL
(Spain)
Trading of Gloves

Diamond Grip (M) Sdn Bhd
(Malaysia)
Manufacturing and Sales of Industrial Gloves

Rubberex Alliance Sdn Bhd
(Malaysia)
Manufacturing and Sales of Disposable Gloves

Malaysia:
Lot 138201 Off ¾ Mile Jalan Bercham, Kawasan Perindustrian Bercham, 31400 Ipoh, Perak, Malaysia

Spain:
Poligono Industrial Masia del Balo, Calle Mas Vallesa de Mandor, no. 8-Nave 12 Ribarroja del Turia, 46190 Valencia, Spain

DIRECTORS'/KEY SENIOR MANAGEMENT'S PROFILE

Mr. Liew Jee Min @ Chong Jee Min, aged 63, male, a Malaysian, was appointed as an independent non-executive Chairman of the Company on 12 August 2021.

Mr. Liew Jee Min @ Chong Jee Min is the co-founder of legal firm Messrs. JM Chong, Vincent Chee & Co Advocates & Solicitors in Klang, Selangor, which specializes in various practices of law such as real estate, banking, corporate and commercial. He has accumulated more than 35 years of experience as a legal practitioner and is currently the managing partner of the firm.

Mr. Liew Jee Min @ Chong Jee Min obtained his Bachelor Degree in Law from the University of Leeds, England in 1984 and a Certificate of Legal Practice, Malaya in 1985. Thereafter, he was admitted as an Advocate and Solicitor of the High Court of Malaya in 1986 and an Advocate of Sabah and Sarawak in 1987. Mr. Liew Jee Min @ Chong Jee Min is also the Chairman/Director of public-listed YKGI Holdings Berhad, and sits on the boards of Parkson Holdings Berhad, Jaks Resources Berhad and Hextar Global Berhad as well.

As a prominent legal advisor of his profession, Mr. Liew Jee Min @ Chong Jee Min also serves in various associations in Malaysia, among which are:

(i) Vice President of the Klang Chinese Chamber of Commerce & Industry (KCCCI);
(ii) Chairman of the Legal Affairs Committee of KCCCI and the Associated Chinese Chamber of Commerce & Industry of Coastal Selangor;
(iii) Council Member of the Chinese Chamber of Commerce & Industry of Kuala Lumpur and Selangor, and Chairman of its Legal Affairs Committee;
(iv) Member of the Legal Affairs Committee of the Associated Chinese Chamber of Commerce & Industry of Malaysia; and
(v) Legal Advisor of Malaysia Used Vehicles Autoparts Traders' Association, the Kuala Lumpur & Selangor Furniture Entrepreneur Association and Sekolah Menengah Chung Hua (PSDN) Klang, Selangor.

Mr. Liew Jee Min @ Chong Jee Min does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report. He has not been convicted of any offences in the past ten years, other than traffic offences, if any.

Dato' Mohamed bin Hamzah, aged 81, male, a Malaysian, is an independent non-executive director of the Company. He was appointed to the Board of the Company on 24 October 1996 and served as Chairman from 30 November 1998 to 27 August 2014 after which he opted for the re-designation of Deputy Chairman. He is currently the Chairman of the Remuneration and Nomination Committees and a member of the Audit Committee 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. Dato' Mohamed bin Hamzah spent 25 years of his career as a government officer in the Diplomatic and Administrative Service where he also 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 and 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 in Batu Gajah, Perak.

Dato' Mohamed bin Hamzah does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report. He has not been convicted of any offences in the past ten years, other than traffic offences, if any.

Directors'/Key Senior Management's Profile (cont'd)

Mr. Khoo Chin Leng, aged 62, male, a Malaysian, is the Managing Director of the Company and was appointed to the Board of the Company on 01 July 2013. He is a member of the Malaysian Institute of Accountants and a Fellow Member of the Chartered Association of Certified Accountants (FCCA), United Kingdom. Mr. Khoo Chin Leng joined Rubberex (M) Sdn Berhad, a wholly owned subsidiary of the Company, in 1988 as an Accountant and has held various positions within the Finance Division of the Group. Mr. Khoo Chin Leng was instrumental in the set-up and operations of the Group's subsidiary companies in China and had been active in the vinyl disposable glove operations in China from 2005 until the disposal of these subsidiary companies on 31 December 2018. Prior to joining Rubberex (M) Sdn Berhad, he was attached to IJM Corporation Berhad, as its Accountant for 5 years.

Mr. Khoo Chin Leng does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report. He has not been convicted of any offences in the past ten years, other than traffic offences, if any.

Mr. Lim Chee Lip, aged 35, male, a Malaysian, is a non-independent Executive Director of the Company, appointed on 28 August 2020. Mr. Lim Chee Lip holds a post graduate diploma (PgDip) in Business Administration from the University of Wales Trinity Saint David, a Master in Construction Law and Arbitration (LLM) as well as a Bachelor degree in Quantity Surveying from Robert Gordon University, United Kingdom. Upon graduation, he worked for Stewart Milne Group Limited and Hill International Inc., one of the largest public-listed U.S. consulting firms.

Mr. Lim Chee Lip is a member of the Chartered Institute of Arbitrators in the United Kingdom and Malaysia and has more than ten years of professional work experiences in the United Kingdom, Middle East and Asia, in the areas of Dispute Resolution, Contract Management, Corporate Finance and Advisory. He has also accumulated vast corporate management experiences including directing, strategic planning and expansion of various private and public companies in Malaysia. Mr. Lim Chee Lip holds directorships in a number of private limited companies in Malaysia.

Mr. Lim Chee Lip does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report. He has not been convicted of any offences in the past ten years, other than traffic offences, if any.

Mr. Goh Hsu-Ming, aged 46, male, a Malaysian, is a non-independent Executive Director of the Company, who was appointed on 05 August 2021. Mr. Goh Hsu-Ming is a double-major graduate in Accounting and Finance from the University of Sydney, Australia. He has more than 13 years' experience in a Malaysian conglomerate with senior roles in capital markets, stockbroking and principal investments. Prior to this, he has also worked in Hong Kong and Singapore and was attached to a leading global investment bank for several years. He started his career with a Big-4 accounting firm in Malaysia.

Mr. Goh Hsu-Ming is currently the Group Deputy Chief Executive Officer of the Hextar Group of companies, a leading player in the agrochemicals and fertilizers industries in Malaysia, with ventures in the industrial chemicals, oilfield chemicals, engineering, quarry as well as machinery and equipment industries.

Mr. Goh Hsu-Ming does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report. He has not been convicted of any offences in the past ten years, other than traffic offences, if any.

Dato' Ong Choo Meng, aged 44, male, a Malaysian, is a non-independent non-executive director of the Company who was appointed on 23 April 2020. He graduated from the Royal Melbourne Institute of Technology, Australia with a Bachelor of Business (Economics & Finance) degree. Dato' Ong Choo Meng is a highly competent and professional business leader with a commendable track record of over 18 years in directing business growth, investment and expansion strategies. He is presently the Group Chief Executive Officer, specializing in finance and investments for the Hextar Group of companies, a leading player in the agrochemicals and fertilizers industries with ventures in the industrial chemicals, oilfield chemicals, engineering, quarry as well as machinery and equipment industries.

Dato' Ong Choo Meng also sits on the board of Hextar Global Berhad, as the non-independent executive director and Hextar Industries Berhad (formerly known as SCH Group Berhad), as a non-independent non-executive director.

Dato' Ong Choo Meng does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report. He has not been convicted of any offences in the past ten years, other than traffic offences, if any.

Directors'/Key Senior Management's Profile (cont'd)

Dato' Chan Choun Sien (Christopher), aged 51, male, a Malaysian, is an independent non-executive director of the Company and was appointed on 27 May 2020. He is presently the Chairman of the Audit Committee, and member of the Nomination and Remuneration Committee of the Board. Dato' Chan Choun Sien was formerly a Managing Director of a leading investment bank in Southeast Asia and has over 24 years of experience in some of the largest mergers and acquisitions in Malaysia, IPOs, equity and debt fund raisings and corporate restructuring exercises, as well as regional private banking in Southeast Asia. He was named as one of the top 10 investment bankers in Asia (ex-Japan) by Brendan Wood International Journal in 2006.

Dato' Chan Choun Sien is presently the Deputy Chairman of the Finance and Capital Market Committee of The Associated Chinese Chambers of Commerce and Industry of Malaysia. He is also an independent non-executive Chairman of Hextar Industries Berhad and sits on the boards of Tan Chong Motor Holdings Berhad, Esthetics International Group Berhad and Selangor Dredging Berhad as an independent non-executive director of these companies.

Dato' Chan Choun Sien holds a Bachelor of Laws (Hons) degree and a Bachelor of Commerce degree from the University of Melbourne. He attended a Leadership Programme in INSEAD (2010-2012) and is also a Certified Practising Accountant with CPA Australia.

Dato' Chan Choun Sien does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report. He has not been convicted of any offences in the past ten years, other than traffic offences, if any.

En. Sabri bin Abd Hamid, aged 56, male, a Malaysian is the Vice President of Marketing (Gloves & PPE) for the Group. He holds a Bachelor of Economics and Statistics degree from the University of North Carolina in the United States. En. Sabri bin Abd Hamid joined Rubberex (M) Sdn Berhad, a wholly-owned subsidiary of the Company in 1994 as a Marketing Executive and assumed his present position in 2013. Prior to joining Rubberex, En. Sabri bin Abd Hamid was the Assistant Manager of Franchise Foodstores in Charlotte, United States for 3 years.

En. Sabri bin Abd Hamid does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report. He has not been convicted of any offences in the past ten years, other than traffic offences, if any.

CHAIRMAN'S STATEMENT

Dear valued stakeholders,

I am honoured and privileged to be writing my maiden Chairman's Statement as the new Chairman and presenting the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2021 on behalf of the Board of Directors of Rubberex Corporation (M) Berhad ("Rubberex" or "the Group").

The global economy had seemed to be heading towards a more solid recovery path at the start of 2021 before high COVID-19 cases compelled various governments to implement stricter border controls and derailed any systematic economic revival plans. 2021 also saw the emergence of new deadlier COVID-19 variants such as the Delta, and Omicron later in the year which continued to dominate world headlines, disrupt daily lives, economies, global supply chains and businesses once again.

Thankfully, a concerted effort by governments worldwide to establish accommodative policies throughout the year has helped the global economy to chart a 5.9% growth in 2021 from negative growth of 3.1% in 2020 *(Source: International Monetary Fund – World Economic Outlook October 2021)*. In line with the re-opening of global economies coupled with the high vaccination rates in the country, Malaysia's GDP performance in 2021 also showed strong positive signs of recovery versus a contraction of 5.6% in 2020 *(Source: Bank Negara Malaysia – Quarterly Bulletin 4Q2021)*. The feat was attributed to a stronger economic outcome in the fourth quarter of 2021, backed by labour market improvements, lower unemployment rates, better manufacturing sales and favourable external trade performance.

We also commend the government's effort where a record RM380 billion worth of economic stimulus packages were progressively implemented to provide financial lifelines to the Rakyat and businesses, as well as to expedite the National COVID-19 Immunisation Programme which have helped to cushion the hardships and adverse impacts brought on by the pandemic.

Looking ahead in 2022, the global economy is expected to regain its solid footing, with a growth rate of 4.4% in 2022, and showing signs of a trajectory growth as the pandemic progressively transitions into the endemic phase. That being said, the new emergence of downside risks, such as Russia's invasion of Ukraine and high commodity prices, are expected to linger and accelerate the inflation rates in most countries.

Meanwhile, on the local front, the domestic economy is expected to remain on its recovery path, supported by gradual reopening of economic sectors with growth projected at between 5.5% to 6.5% on the back of resumption of high multiplier infrastructure projects, strong external demand, improving commodity prices, and recovering labour market conditions.

The Group has done a commendable job of charting a record-high Profit After Tax of RM185.7 million, an increase of RM54.5 million or 41.5% from RM131.2 million a year ago despite the challenges faced in the year under review. While the glove industry may be undergoing a natural consolidation, we remain steadfast in our belief that higher global health and safety standards post-pandemic would uphold the resilience and sustainability of our core business.

Chairman's Statement
(cont'd)

Acknowledgements

As another challenging year comes to a close, I would like to extend my gratitude to the Board of Directors for the trust and confidence as I stepped in to fill the Independent and Non-Executive Chairman role effective 12 August 2021. I would also like to express the Group's appreciation to Dato' Dr Teo Tong Kooi for his leadership in guiding the Group during this pandemic.

Our senior management team's unwavering support has also been paramount, which I am grateful for, in ensuring business continuity and in navigating the Group through these challenging times while keeping the health and safety of all our employees intact.

On behalf of the Board, I wish to express our gratitude to our shareholders, the Malaysian government, business partners, the regulators and other relevant authorities who have been providing valuable guidance to the Group in this financial year just ended.

LIEW JEE MIN @ CHONG JEE MIN
Chairman

MANAGING DIRECTOR'S STATEMENT

Dear valued shareholders,

We count 2020 and 2021 as two of the most challenging yet opportune years, brought about by the COVID-19 pandemic, that Rubberex had experienced in history. As the pandemic continues to evolve with new variants, Delta and Omicron, that have surfaced, the glove industry unprecedentedly become one of the most crucial industries in the frontline fight against the outbreak. Amidst this backdrop, we are pleased to share that the Group has charted another record-high profit result for the year ended 31 December 2021, eclipsing what was achieved in previous financial year 2020.

While we acknowledge that COVID-19 has heightened the demand and orders for gloves, it was inevitable that we had to contend with competition and new glove players capitalizing on the high profit margin trends. By mid-2021, the Group grappled with softer sales volumes, continued easing of average glove selling prices (ASPs), lower capacity utilization as well as slower incoming orders as the enlarged glove capacities contributed by existing and new players in the market caused global glove supply to overtake demand.

Nevertheless, in the face of these challenges, the Group successfully chalked a record revenue of RM510.0 million, a 22.8% increase from RM415.1 million in the previous year owing to favourable ASPs and full contribution from the Group's latest capacity expansion of 1.5 billion pieces of gloves that fortuitously came onstream at the beginning of 2021. On the whole, in line with the stronger sales and revenue growth, Group Profit after Tax correspondingly grew 41.5% to RM185.7 million in the period under review on the back of improved sales, higher ASPs, greater economies of scale and optimized production efficiency derived from the additional capacity.

Corporate Developments

Nitrile Disposable Glove Capacity Growth and Expansion

To recap, on 22 January 2021, we completed the acquisition of 2 parcels of leasehold land measuring approximately 11.9 acres located in Lahat, Kinta district, Perak for the construction of a new nitrile disposable glove production plant which would house up to 28 double-formers lines capable of producing a combined capacity of up to approximately 7.5 billion pieces of nitrile disposable gloves per annum. As part of the funding exercise for the new nitrile disposable glove production plant, the Group also completed a private placement exercise in August 2021 that netted proceeds of RM66.1 million towards the construction and partial financing of this plant.

At present, due to the softening market conditions, particularly in the nitrile disposable glove segment, the Management has decided that this expansion project shall be put on hold for the time being until the excess capacities in the market are absorbed and ASPs stabilized.

Joint Collaboration

On 4 October 2021, we shared our direction to diversify into property investment via a joint collaboration with Alliance Premier Sdn Bhd, EXSIM Holdings Sdn Bhd and JT Momentum Sdn Bhd for the development and operation of Empire City Mall which is currently being constructed as part of the overall development of Empire City through Alliance Empire Sdn Bhd ("AESB").

As part of the collaboration, Rubberex entered into a Subscription Agreement for the Proposed Subscription of 200,000 new ordinary shares in AESB, representing 20% of the enlarged equity interest in AESB by Rubberex for a subscription price of RM180.0 million. Further to that, Rubberex also entered into a Shareholders' Agreement to regulate the relationship of shareholders of AESB.

The investment is not expected to have any material effect on the financial performance of the Group for the financial year 2022.

Managing Director's Statement (cont'd)

Diversification of Business Activities into Property Investments

The Board anticipates that the Proposed Subscription will potentially contribute 25% or more of the net profits to the Group and/or result in a diversion of more than 25% of the Net Assets of Rubberex. As such, we proceeded to obtain the approval of shareholders to diversify the business activities of the Group into property investment, thus our inaugural venture into Empire City Mall.

This diversification into the property investment is a timely opportunity for the Group to strive for the longer term, in view of the economic recovery post-pandemic, to build a new source of regular and stable income stream as well as to achieve potential long-term capital growth upon completion and commencement of operations of Empire City Mall. With the COVID-19 pandemic situation moving toward endemicity coupled with reopening of international borders and resumption of global travel, Empire City is envisaged to be a popular destination for locals, international tourists and business travelers, supported by a ready satellite population catchment from the integrated commercial development consisting of corporate office buildings, prime business suites, residential units, and prestigious international class hotels.

On 31 December 2021, an Extraordinary General Meeting was convened to obtain shareholders' approval on the two proposals and we are pleased that the approvals to proceed with the proposals were duly obtained. The Group anticipates these diversification initiatives to contribute positively to the Group's profitability and shareholders' returns in the long term.

Future Prospects

All that said, albeit the diversification, the Group remains steadfast in its focus to grow its core glove business as we foresee that glove demand, specifically disposable gloves, and other personal protective equipment will continue to remain resilient as the world advances towards the endemic phase of COVID-19 due to heightened safety, health standards and awareness globally.

Acknowledgements

I would like to convey my appreciation to the Board of Directors for their wise counsel, trust and support which had allowed us to achieve our strategic goals in these tumultuous times. We also place on record our deepest honour and heartfelt gratitude to Dato' Dr Teo Tong Kooi for his wisdom and guidance during his tenure as the Group's Chairman.

We also welcome Mr. Liew Jee Min @ Chong Jee Min as our new Chairman, who comes with valuable experiences and understanding of the corporate sector, bringing with him insights that will help to chart new highs for the Group.

In closing, I would like to express my heartfelt appreciation and gratitude to all our employees for their unwavering dedication, hard work, and perseverance shown. Our deepest gratitude also goes to the Malaysian government, relevant authorities, our shareholders, customers, bankers, advisors and business associates for their trust and continuous support of Rubberex.

Khoo Chin Leng
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

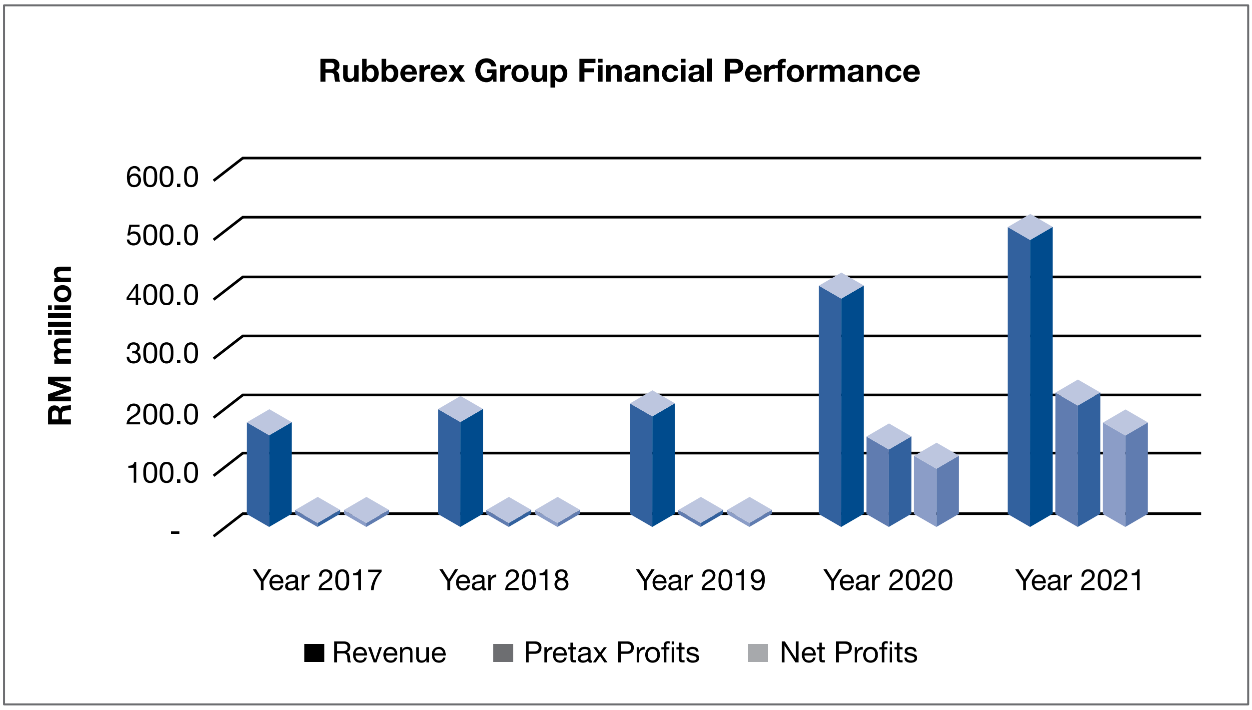
Rubberex and its subsidiary companies are principally involved in the manufacturing and sales of gloves. The Group's glove manufacturing plants are centered in Bercham, Ipoh, Perak, producing household or general-purpose gloves, industrial gloves and nitrile disposable gloves. During the financial year, the Group also obtained shareholders' approval for the diversification of its business into property investment, hence its collaboration and maiden 20% equity participation into a shopping mall known as Empire City Mall, that is currently being constructed as part of the overall development of Empire City in Klang Valley, Selangor.

Rubberex has been in the glove business for more than thirty years and is an established international brand name. The Group is also proud of its decades-long strategic distribution partnership with one of its key customers, Mercadona S.A., a major supermarket chain in Spain. This buyer is specifically managed by the Group's wholly-owned European trading arm, Rubberex Spain S.L., who sources and supplies the Group's products for distribution around Spain and other nearby European nations.

A new historic high amidst an ongoing pandemic

2021 proved to be another challenging year as the pandemic raged into its second year, bringing with it a resurgence of COVID-19 cases, new variants of the virus, renewed movement control orders and other physical limitations introduced by the government to curb the spread. Despite the robust demand for gloves, underlying these challenges were workforce restrictions on factory operations and various other disruptions along the entire product supply chain from materials to logistical details, which impacted on the Group's operations in the financial year under review.

Against this backdrop, the Group nevertheless managed to deliver a commendable set of performance in financial year 2021 on the back of stronger revenue and higher profitability. From across all glove divisions, the Group chalked up a 22.9% increase in revenue to hit RM510.0 million, overtaking the previous year's record of RM415.1 million, with operational pretax and net profits of RM236.8 million and RM185.7 million respectively in the financial year under review.



Management Discussion and Analysis (cont'd)

The operating divisions which have contributed to the Group's sterling performance in 2021 were as follows:

1. Nitrile Disposable Gloves

This division remains the Group's key revenue driver in financial year 2021. With an annual installed capacity of 2.5 billion pieces, sales of nitrile disposable gloves contributed RM358.6 million or 70.3% of the Group's revenue, a significant improvement from 59.1% in the previous year.

The pandemic drove demand for gloves and personal protective equipment to new heights amidst amplified health safety awareness. Sales volume growth for nitrile disposable gloves saw an improvement of 23.6% to approximately 1.2 billion pieces sold versus 970.5 million pieces year-on-year. Fortuitously, average glove selling prices (ASP) also trended upwards within the same period, from an average of USD53/1000 pieces to USD73/1000 pieces, a surge of 37.7% to the Group's top line.

Notwithstanding the strong demand for gloves, the Group's operations were hindered by labour workforce restrictions and hence, lower productivity and efficiencies in the various stages of movement control orders imposed by the Malaysian government. By the second half of 2021, glove demand had begun to show signs of normalizing with the gradual easing of ASPs in tandem with the enlarged glove supply in the market contributed by existing and new glove players.

2. Household and Industrial gloves

The household and industrial gloves division recorded revenue of RM143.1 million in financial year 2021 compared to RM137.7 million in FY2020, representing a slight increase of 3.9%. This division experienced a slowdown in sales volume, where a total of 62.3 million pairs were sold in the year under review, a decrease by 16.2% from 74.3 million pairs previously, but the slight uptick in revenue was attributed to higher ASPs and a more favourable product mix. This division has been the mainstay of the Group and continues to show resilience, contributing 28.0% to the Group's total revenue in the financial year just ended.

3. Trading of gloves

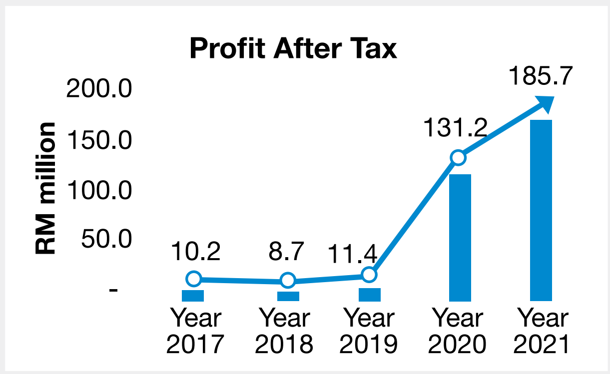
The Group stamped its mark in Spain with a 35,000 sq. ft. warehouse and marketing office in Valencia and more than two decades of long business relationship with Mercadona S.A., a major supermarket chain in Spain, which accorded the Group a significant presence in Europe. The trading division recorded a revenue of RM20.4 million in financial year 2021, which had subsided by 39.1% or RM13.1 million from a year ago as demand for gloves in Spain normalized from the bout of frantic stockpiling by consumers at the early stages of the pandemic in 2020.

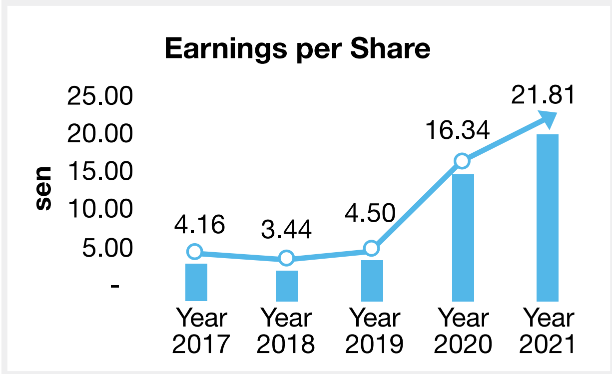
The Group continues to see growth in its pretax profit year-on-year, with a further 47.1% surge from RM161.0 million in 2020 to RM236.8 million in 2021, and an overall higher pretax margin of 46.4% versus 38.8% previously. In the financial year, the Group recognized a once-off gain of RM5.9 million in its books from the complete dissolution of a subsidiary company in Hong Kong; excluding this exceptional gain, the Group's pretax profit margin was still a commendable 45.3%. Besides favourable ASPs, improved economies of scale and higher production efficiencies particularly from the nitrile disposable glove division, have also contributed to this improvement as the Group's latest production lines commenced full scale operations in January 2021.

The normalizing of glove demand/supply, most notably from the second half of 2021 as a direct result of more intense competition and price pressures had curtailed margin growth. Likewise, the imperative drive to ramp up production capacities by new and existing glove players triggered acute shortages of key components such as synthetic latex in the market and resulted in upward cost pressures for manufacturers. Synthetic nitrile latex, which makes up to more than 60.0% of total manufactured costs and essential in the production of nitrile disposable gloves, rose by approximately 71.4% year-on-year and weighed in on margin squeeze.

All said, the stronger operational financial performance in 2021 contributed to a marked improvement in the Group's net profit, which swelled from RM131.2 million to RM185.7 million, an increase of RM54.5 million or by 41.5% in the period of twelve months. The result translated to an earnings per share of 21.81 sen for the financial year 2021 and represented a 33.5% growth return to shareholders from 16.34 sen comparatively.

Management Discussion and Analysis
(cont'd)

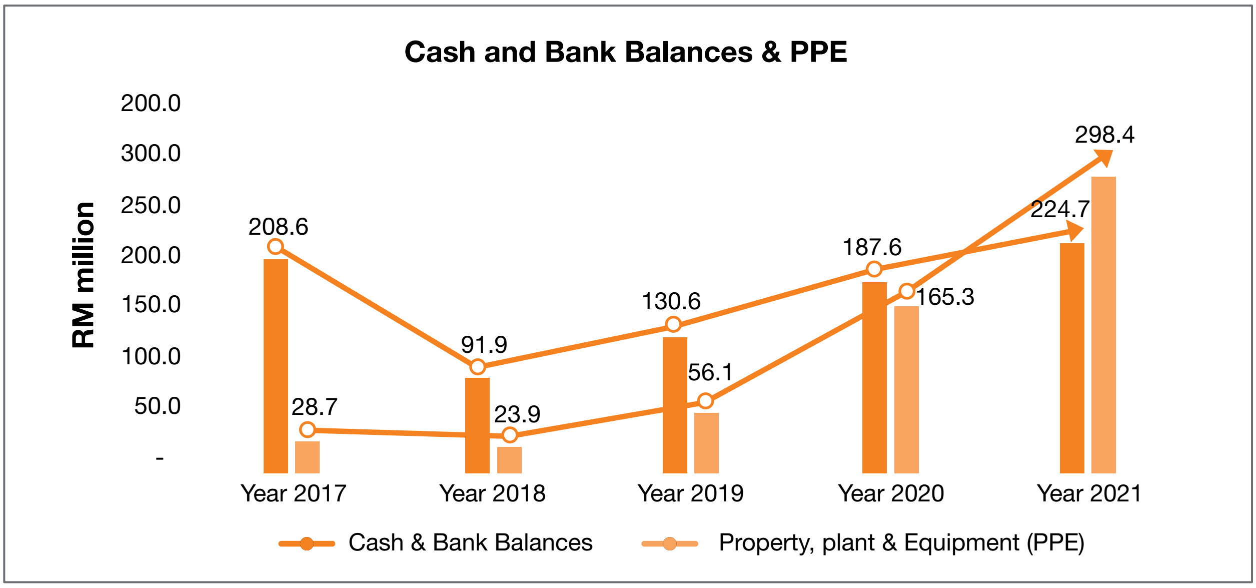




A Strong Asset Base to Support Growth

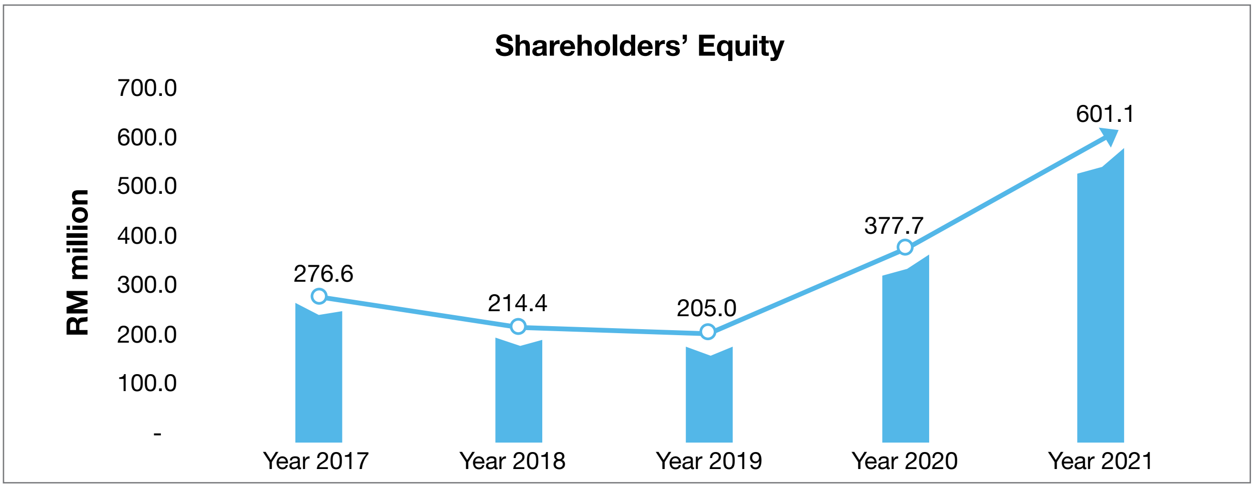
The Group's total assets stood at RM665.1 million as at 31 December 2021, a significant leap from RM471.4 million or an increase of 41.1% from a year ago. The growth included cash and bank balances of RM298.4 million, 1.8 times higher than previous balance of RM165.3 million as a result of stronger earnings and proceeds from a private share placement exercise that raised RM66.1 million in August 2021.

Property, plant and equipment (including prepaid leases) swelled to RM224.7 million as at the close of the latest financial year, from RM187.6 million a year before, mainly contributed by the Group's investment into its nitrile disposable glove plant and inclusive of two parcels of leasehold lands acquired at the cost of RM11.9 million in early 2021.



Rubberex's strong balance sheet position, supported by negligible borrowings demonstrates the Group's prudent capital management approach to preserving shareholders' value. Total equity stood at RM601.1 million as at the close of the financial year, 1.6 times or 59.1% over the previous year, driven by the Group's exceptional financial results and strong net cash position.

Management Discussion and Analysis (cont'd)



In the quest to secure shareholders' value for the long term, the Group had in October 2021 entered into several Agreements with interested parties for the subscription of shares and investment into Empire City Mall for a total consideration of RM180.0 million. This exercise of diversifying the Group's principal activities apart from glove manufacturing into property investment serves to provide the Group with an alternative income stream while capitalizing on the country's timely revitalization and recovery themes post-pandemic.

Anticipated and/or Known Risks

Intensified competition amongst glove makers

In the past year, the unprecedented robust demand for disposable gloves and other personal protective equipment has thrown the glove industry into a whirl, where existing glove makers were motivated to increase their capacities and new entrants buoyed by the promise of high profits over a relatively short period of time. The resultant influx of new suppliers and higher volumes of nitrile disposable gloves in the market inadvertently promoted keen competition and led to the gradual decline of ASPs from the second half of 2021.

The Management anticipates that global glove demand will eventually stabilize, albeit at a new high from pre-pandemic times, as the population instilled greater health, safety and hygiene awareness in their daily lives. The Management also foresees the glove oversupply situation to be balanced out by natural competition over time, where less efficient players would be squeezed out of the game by more resourceful, competent and bigger players.

While it is inevitable that glove demand will stay volatile in the interim, the Group is uniquely well-positioned in that it has a strong marketing team that possesses extensive in-depth knowledge of the disposable gloves market and an established customer base, having been in the business for more than thirty years in addition to a long-standing trusted relationship with a major supermarket chain in Spain and inroads into the European market.

Inflationary pressure on raw material prices

The production of rubber gloves is highly reliant on the availability and pricing of natural resources, particularly raw and synthetic latex which the Group imports from countries within the Asia region. The source of natural latex i.e., rubber, is a known and actively traded agricultural commodity that is sensitive to price fluctuations. Butadiene, which is the main raw material for nitrile disposable gloves, is also susceptible to market demand and price variations, more so in light of the ongoing Russia-Ukraine conflict that has caused crude oil prices to skyrocket unpredictably.

In this regard, the Group monitors the consumption and prices of such raw materials closely, hedging the orders and timing of deliveries against the eventual product cost. Similar to most manufacturers, the Group also has in place a price-adjustment mechanism which is applied judiciously to the final product's selling price, thus effectively passing on the costs (and/or savings as the case may be) to its customers.

Management Discussion and Analysis
(cont'd)

Labour and Workforce

In a labour-intensive industry such as the glove manufacturing business, human resource challenges abound in workers' recruitment, turnover and employment of foreign labour, more so in the past two years where the supply of foreigners was halted due to border closures and hiring freeze imposed by the Malaysian government. Where local workers were inadequate to fill manual operational job positions, the Group employs foreigners from Indonesia, Myanmar and Nepal in its plants.

The Group is cognisant of the importance of ensuring proper standards of living accommodation for these foreigners and has ensured that these workers' living quarters are accorded Certificates of Accommodation as testament of compliance to the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020 gazetted by the Malaysian government on 28 August 2020.

In an effort to mitigate labour supply risks, the Group is constantly exploring new technologies and automated processes in order to reduce reliance on manual labour in its glove production processes. The Group's latest phase of nitrile disposable glove production lines are indeed equipped with computerized and online monitoring systems. Automation has also been implemented at other labour-intensive processes such as at gloves' stacking and packaging areas to ease manual workload.

The New Normal

The COVID-19 pandemic brought about various challenges which the Group has had to adopt, most crucially on the non-negotiable aspect of safety and well-being of the Group's entire workforce. The Group is committed to adhering and complying to all current standard operating procedures (SOPs) laid out by the government with regards to workplace safety, social distancing and personal protection.

Internally, the Management underscores the importance of masks and emphasizes physical zoning of work areas in order to minimize risks of infection. Common work areas are regularly sanitized for the safety and comfort of employees while at work. In an effort to reinforce screening protocols, the Group's employees perform regular COVID-19 self-tests on rapid antigen detection kits provided freely. Through the Management anticipates intermittent sporadic COVID-19 cases to be detected at the workplace from time to time, it does not expect any major disruptions or impact to operations. The Management is also pleased to state that approximately 90.7% of the Group's workforce has been fully vaccinated and boosted against serious adverse effects of COVID-19 as of 31 March 2022.

Supply Chain Disruptions

Throughout the pandemic and amidst the emergence of new COVID-19 variants in various parts of the world, many countries re-introduced lockdowns and border controls in a bid to curb the spread of viruses. Such measures result in countless forms of delays, disruptions and a domino effect all through businesses' supply chains, leading to inflated logistical costs and business risks to owners.

In order to mitigate this, the Group worked closely with its supply chain partners, both suppliers and customers alike, in inventory planning as well as setting strategies for short-term demand-supply solutions to ensure the optimisation of time, resources and costs pass-through. Where called for, the Group also sourced alternative logistical options such as air shipments in order to meet deadlines and minimize major operational disruptions.

Management Discussion and Analysis
(cont'd)

Foreign Currency Exchange

As the Group primarily focuses on export sales (and to a lesser extent, import purchases), it is inevitable that it contends with foreign currency exchange risks. The Group's trade transactions are mainly denominated in US Dollars and Euros. A weakening Ringgit, vis-à-vis the export currency would be favourable to the Group, and vice versa, a stronger Ringgit pegged against the export currency would impact on Group earnings. Volatility and unpredictability in foreign currency exchange trends could prove detrimental to business and management decision making.

As such, the Group mitigates these risks by hedging a portion of its trade receivables (and/or trade payables as the case may be) against such unfavourable movements and balances out the risks by anticipating known outcomes in advance. As of 31 December 2021, a total of USD0.7 million and EUR0.5 million have been hedged for net proceeds receivable up to February 2022.

Prospects and Outlook

The Malaysian Rubber Glove Manufacturers Association (MARGMA) reported that global demand for gloves in 2022 and 2023 will be 10% to 15% higher than the pre-Covid 19 level, especially from Europe and America (Source: The Edge - MARGMA expects demand for gloves in 2022 and 2023 to be 10%-15% higher than pre-pandemic level). On the macroeconomic front, financial year 2022 is expected to remain challenging on the back of softer demand as the world transitions into endemicity and usage of personal protective gears such as gloves becomes mainstream. The Group is also mindful of the unpredictability in ASP trends as well as risks associated with commodities, materials and product pricing and will continue to actively engage with stakeholders such as suppliers and customers on the cost pass-through mechanism along the supply chain.

That said, the Management and Group remains focused on its core glove business where the market is reinforced by the resilient demand of gloves on the back of higher safety and health standards globally. The Group's timely diversification into property investment also bodes well for the long-term sustainability of the Group as it provides an alternative feasible source of income to the Group when Malaysia's international borders re-open to tourists, consumers, retailers and investors.

Dividend policy

The Group has not declared or paid any dividends in the last two financial years as it is on track to chart an expansionary growth path for the future. With strong cash reserves, an able Management team and proven business track records, the Group is well geared to undertake strategic investments, notwithstanding organic expansions, that could potentially generate higher returns and value to shareholders in the long term.

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

Dato' Chan Choun Sien	(Chairman, Independent Non-Executive Director)
Dato' Mohamed bin Hamzah	(Independent Non-Executive Director)
Mustapha bin Mohamed	(Independent Non-Executive Director, resigned on 30 August 2021)
Liew Jee Min @ Chong Jee Min	(Independent Non-Executive Director, appointed on 30 November 2021)

MEETINGS OF THE AUDIT COMMITTEE

1. The Chairman of the Audit Committee shall report on each meeting to the Board of Directors and the Secretary of the Audit Committee shall be the Company Secretary;

2. The Secretary of the Audit Committee shall be entrusted with the circulation of the agenda and notice of meetings prior to each meeting and shall record all proceedings and minutes of Audit Committee meetings;

3. The quorum for an Audit Committee meeting shall be at least two members and the majority of members present must be independent directors;

4. Audit Committee meetings shall be held not less than four times a year and internal or external auditors may attend the meetings upon the invitation of the Audit Committee;

5. At least once in a year, the Audit Committee shall meet with the external auditors without the presence of any executive directors and management of the Company to deliberate on the audit plans, summaries of findings and any other matters directly affecting the Company and the Group; and

6. Five Audit Committee meetings were held during the financial year ended 31 December 2021. The attendance record of each member is as follows:-

Name	Attendance	Percentage
Dato' Chan Choun Sien	5/5	100%
Dato' Mohamed bin Hamzah	5/5	100%
Mustapha bin Mohamed (resigned on 30 August 2021)	4/4	100%

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The main activities of the Audit Committee in the financial year ended 31 December 2021 were as follows:

1. Deliberated on outsourcing the Internal Audit function of the Group to professional firms and recommending to the Board for the appointment of Baker Tilly Monteiro Heng Governance Sdn Bhd as Internal Auditor;

2. Reviewed the Risk Management Policy drawn up by the Internal Auditor and recommending to Board for the establishment of a Risk Management Committee and formal adoption of this Policy;

3. Reviewed the adequacy and relevance of the scope, functions, resources, audit plans and results of audit processes, with the external and internal auditors;

4. Reviewed the audit reports and major findings prepared by the external and internal auditors, and management's responses thereto;

5. Reviewed the quarterly financial reports and year-end financial statements of the Company and of the Group and thereafter submitting them to the Board of Directors for consideration and approval;

Audit Committee Report
(cont'd)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

6. Reviewed the latest changes of pronouncement issued by accountancy, statutory and regulatory bodies on matters generally relevant to the Audit Committee;

7. Reported to the Board of Directors any significant issues and concerns discussed during the Committee's meetings with external and internal auditors, and where appropriate, made the necessary recommendations to the Board;

8. Reviewed the Company's and the Group's compliance with the listing requirements of Bursa Malaysia Securities Berhad;

9. Considered and recommended to the Board of Directors for approval, the audit fees payable to the external and internal auditors; and

10. Prepared the Audit Committee Report for inclusion in the Company's Annual Report.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The main activities of the Internal Audit function in the financial year ended 31 December 2021 were as follows:

1. Reviewed the draft quarterly financial reports and year-end financial statements with Management and Audit Committee;

2. Carried out risk management and review of key business areas including credit and liquidity risks, cash flows, foreign exchange risks and other evaluations of internal control systems, accounting and management information systems;

3. Ensured the compliance of the Company's and of the Group's practices with established policies, procedures, laws and regulations and where applicable, recommended corrective actions to improve control processes. The Internal Audit function also followed-up on these actions to ensured correct and adequate implementation;

4. Issued periodic internal audit reports to the Audit Committee members and Management;

5. Followed up on any compliance issues raised by the external auditors in the course of audit and considered management's corrective actions thereof;

6. Attended Audit Committee meetings to table and discuss the internal audit activities carried out and deliberated on the adequacies and summaries of audit results;

7. Performed other ad-hoc examinations and reviews as requested by the Audit Committee and the Board, as appropriate; and

8. Prepared Risk Management Policy for review and acceptance by the Board.

The internal audit activities for the financial year ended 31 December 2021 were conducted by an in-house audit team except for the preparation of the Group's Risk Management Policy which was carried out by the outsourced Internal Auditor. The total costs incurred for the internal audit function during the year amounted to RM334,055.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Rubberex Corporation (M) Berhad ("the Board") is pleased to present this Corporate Governance Overview Statement for the financial year ended 31 December 2021, highlighting its corporate governance practices carried out during the year as guided by the principles set out in the Malaysian Code on Corporate Governance 2021 and Practice Note 9 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

This Statement highlights the key corporate governance practices of the Group during the financial year, with references to the following three principles:

(a) Board leadership and effectiveness;
(b) Effective audit and risk management; and
(c) Integrity in corporate reporting and meaningful relationship with stakeholders.

This Statement should be read in conjunction with the Group's Corporate Governance Report ("CG Report") which has been uploaded on the Company's website www.rubberex-corp.com.my and announced on Bursa Malaysia Securities Berhad.

BOARD LEADERSHIP AND EFFECTIVENESS

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.

In carrying out its responsibilities, the Board reviews the Group financial results, operational plans and strategic objectives formally on a quarterly basis and deliberates key management decisions. It also ensures that key information are reported to the Exchange in an accurate and timely manner.

The Company has a board charter which clearly outlines the structure of the Board, roles and responsibilities of directors, including independent directors, committee members and senior management. It also states specifically the issues and strategic decisions to be undertaken by the Board each year including setting long term vision(s) for the Group, reviewing and approving dividend payments, Group budgets, directors' and senior management's remuneration packages, quarterly financial results to Bursa Malaysia and other corporate announcements.

Composition of the Board

The Board is made up of one managing director, two executive directors and four non-executive directors, three of whom are independent directors, including the Chairman. The Managing Director, Mr. Khoo Chin Leng has many years of experience in the Group's core businesses, which are the manufacture and export of household gloves, industrial gloves and disposable gloves. The Executive Directors also contribute their knowledge, objectivity and experience towards the execution of policies and monitoring of Group operations.

Within the Board, there are three active working committees who meet regularly and are delegated specific responsibilities to support the Board in discharging its corporate governance reporting duties. These committees are currently the Audit Committee, Nomination Committee and Remuneration Committee, each chaired by a capable board member of caliber and credibility.

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.

Corporate Governance Overview Statement (cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Training

All directors, including non-independent directors, have attended and completed the Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad. The directors, either collectively or individually, have also attended various public talks and training sessions to keep abreast with developments in the business environment as well as to assist them in discharging their duties more effectively. Some of the training sessions attended by the directors in the financial year include:

1.	Investing Courageously: An Impact Investing Workshop	January 2021
2.	Market Outlook 2021: Pathway to Recovery	January 2021
3.	46th ASEAN-Japan Business Meeting	March 2021
4.	UBS Healthcare Summit 2021	April 2021
5.	Review & Outlook	June 2021
6.	Building Back Better: A Board's-Eye View	June 2021
7.	Let's Catch Up with Malaysia's Finance Minister	June 2021
8.	Case Study of An SME Utilising Multiple Funding Options	August 2021
9.	Venture Capital to Bridge Your Growth Gap	August 2021
10.	Reframe, Recover, Reinvent	September 2021
11.	ESG Session with Prof Justine Nolan	September 2021
12.	Guidelines on conduct of Directors of Listed Corporations and their Subsidiaries	September 2021
13.	Sustainability Conference: The Operationalisation of ESG Across Investment Processes	October 2021
14.	Mandatory Accreditation Programme for Directors of Public Listed Companies	December 2021
15.	Doctor of Business Administration	On-going

Board Meetings

Five Board Meetings were held during the financial year ended 31 December 2021. The attendance record of each director during the year was as follows:

Name	Attendance	Percentage
Liew Jee Min @ Chong Jee Min, appointed on 12 August 2021 (Independent Non-Executive Chairman)	3/3	100%
Dato' Dr. Teo Tong Kooi, resigned on 12 August 2021 (Independent Non-Executive Chairman)	2/2	100%
Dato' Mohamed bin Hamzah (Independent Non-Executive Deputy Chairman)	5/5	100%
Dato' Ong Choo Meng (Non-Independent Non-Executive Member)	5/5	100%
Dato' Chan Choun Sien (Independent Non-Executive Member)	5/5	100%
Khoo Chin Leng (Managing Director)	5/5	100%
Lim Chee Lip (Executive Director)	5/5	100%
Goh Hsu-Ming, appointed on 05 August 2021 (Executive Director)	3/3	100%
Mustapha bin Mohamed, resigned on 30 August 2021 (Independent Non-Executive Member)	2/3	67%

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

Corporate Governance Overview Statement
(cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Meetings (Cont'd)

The Chairman of the Board, Liew Jee Min @ Chong Jee Min, succeeded Dato' Dr. Teo Tong Kooi in August 2021. The primary role of the Chairman is to instill good corporate governance practices, leadership and effectiveness of the Board. The Chairman also primarily leads the members in board meetings, guides the formulation of company policies, risk management practices and corporate affairs. He is supported by the Deputy Chairman, Dato' Mohamed bin Hamzah, other board members as well as the Managing Director and Executive Directors who contribute their knowledge, objectivity and experience towards the execution of policies and monitoring of Group operations.

Appointment of Directors

The Nomination Committee responsible for making recommendations for any appointments to the Board. In making these recommendations, the Nomination Committee considers the required mix of skills, contribution, experience and diversity, including gender diversity, which the directors should bring to the Board. It also objectively assesses the individual(s)' independence, conflicts of interests and family relationships, if any. The nomination received is forwarded to the full Board for assessment and endorsement.

The Nomination Committee comprises the following directors:

Dato' Dr. Teo Tong Kooi (Chairman), resigned on 12 August 2021
Dato' Mohamed bin Hamzah (Chairman), redesignated on 15 February 2022
Mustapha bin Mohamed, resigned on 30 August 2021
Dato' Chan Choun Sien, appointed on 15 February 2022

Re-election

Under the existing provisions of the Company's Constitution, 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:

Dato' Mohamed bin Hamzah (Chairman)
Mustapha bin Mohamed, resigned on 30 August 2021
Dato' Dr. Teo Tong Kooi, resigned on 12 August 2021
Dato' Chan Choun Sien

The Remuneration Committee ascertains and approves remuneration packages of executive directors and senior management 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 2021 were as follows:-

1. Aggregate remuneration of directors of the Group and of the Company categorised into appropriate components:

	The Group		**The Company**	
	Emoluments RM	**Fees RM**	**Emoluments RM**	**Fees RM**
Executive Director(s) ^	3,406,895	–	–	–
Non-executive Directors	43,000	460,807	43,000	460,807
Total	3,449,895	460,807	43,000	460,807

^ including benefits-in-kind

Corporate Governance Overview Statement (cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Remuneration (Cont'd)

Details of emoluments and fees paid to each individual director of the Company are as follows:-

	Emoluments RM	Allowances RM	Fees RM
Liew Jee Min @ Chong Jee Min, appointed on 12 August 2021	–	4,000	30,356
Dato' Dr. Teo Tong Kooi, resigned on 12 August 2021	–	4,000	62,967
Dato' Mohamed bin Hamzah	–	11,000	105,560
Dato' Ong Choo Meng	–	6,000	78,500
Dato' Chan Choun Sien	–	10,000	94,230
Khoo Chin Leng	1,094,919	–	–
Lim Chee Lip	588,413	–	–
Goh Hsu-Ming, appointed on 05 August 2021	220,943	–	–
Mustapha bin Mohamed, resigned on 30 August 2021	–	8,000	89,194
	1,904,275	43,000	460,807

2. The directors' emoluments and fees payable to the Directors of the Company falls into the following bands:

Range of remuneration	Executive	Non-executive
Below RM50,000	–	1
RM50,001 to RM100,000	–	3
RM100,001 to RM200,000	–	2
RM200,001 to RM300,000	1	–
RM500,001 to RM600,000	1	–
RM1,000,001 to RM1,100,000	1	–

3. The remuneration of the top five(5) senior management of the Group, including the Managing Director and Executive Directors, falls into the following bands:

Range of remuneration	
RM450,001 to RM500,000	1
RM550,001 to RM600,000	1
RM600,001 to RM650,000	1
RM850,001 to RM900,000	1
RM1,050,001 to RM1,100,000	1

Supply of information

All Board members are supplied with information in a timely manner. Board reports are circulated at least seven days 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.

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Supply of information (Cont'd)

The Board has the services of two Company Secretaries who ensure that notices of meetings are duly distributed, both for the Company's own records and for the purposes of meeting statutory requirements as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad. The Company Secretaries are also charged with highlighting all issues that he feels ought to be brought to the Board's attention. During the Board of Directors' and other committee meetings, the Company Secretaries are jointly tasked with preparing the minutes to be signed off by the Chairman and distributed to all directors within sixty days from the conclusion of such meetings.

Besides the 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 investment bankers, valuers, human resource consultants and others.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Company has an Audit Committee whose composition meets the Listing Requirements i.e. three independent directors forming the majority and a member that is a qualified accountant. The Chairman of the Audit Committee is Dato' Chan Choun Sien, an independent non-executive director. 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.

Prior to the presentation of the quarterly financial statements to the Board and to the shareholders, the Audit Committee deliberates on the true and fairness of the information presented to ensure that the financial statements are prepared in accordance with the Malaysian Financial Reporting Standards and the provisions of the Companies Act, 2016, in Malaysia. Thereafter, the Audit Committee will recommend that the financial statements be approved by the Board and issued to shareholders.

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. These meetings are carried out without the presence of any executive directors and management of the Company and of the Group to deliberate on the audit plans, summaries of findings and any other matters directly affecting the Company and the Group. At these meetings and throughout the financial year, the Audit Committee assesses the competency and independence of the external auditor and if satisfactory, recommends for re-appointment to the Board, who will then seek shareholders' approval at the Company's Annual General Meeting.

Yearly, the external auditors also duly declares to the Audit Committee and to the Board that they are in compliance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

Risk Management and Internal Control

The Board acknowledges the importance of having an adequate system of internal control and risk management within the Group. The key elements of the Group's internal control system are highlighted in the Statement of Risk Management and Internal Control on page 50 of the Annual Report.

Corporate Governance Overview Statement (cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Internal Audit

Before the Group's internal audit function was outsourced to Baker Tilly Monteiro Heng Governance Sdn Bhd ("Baker Tilly"), the Internal Audit department was set up as an independent division in the Group that reports functionally to the Audit Committee. The head of the Internal Audit department meets at least quarterly with the Audit Committee and provides the Committee with objective reports on the state of internal controls within the Group.

The Internal Auditor presented their findings and reported to the Audit Committee on their observations and issued recommendations to improvements on certain audit processes and controls. The Audit Committee assesses the performance of the Internal Auditor yearly and reports to the Board of Directors on the adequacy and relevance of the scope, functions, competency, authority and resources of the internal audit function to carry out its work.

The Internal Auditor carries out its activities in accordance with recognised internal auditing standards covering the conduct of audit planning, execution, documentation and communication of findings. It is also guided by the principals set up under the Group's Risk Management and Internal Control framework.

The Audit Committee and Board of Directors are adequately satisfied with the competence, professionalism and impartiality of the Internal Auditor in carrying out their duties. For the financial year just ended, the Board and the Company are also of the view that the internal control systems of the Group are appropriate and adequate.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Shareholders

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.

In addition, any other material business matters affecting the Group or new corporate developments, if any, are also announced to Bursa Malaysia Securities Berhad within the appropriate timeframe.

Annual General Meetings

The Annual General Meeting is also a means of communicating with shareholders. At the Meeting, shareholders and investors are invited to raise any questions they may have pertaining to Group operations and interact and with Management, key officers, internal auditors and external auditors of the Group.

Notices for the Annual General Meeting are distributed at least twenty-eight days in advance, through an announcement on Bursa Malaysia' website and publication in at least one major newspaper in circulation in Malaysia. The Company's Annual General Meeting is usually held at a hotel, with ample parking spaces and other amenities. Shareholders are entitled to appoint a proxy or proxies or the Chairman to vote on their behalf at the Annual General Meeting.

For the last two financial years, the Company has conducted its Annual General Meeting on a hybrid or virtual basis, for the safety and well-being of the shareholders. The Company's resolutions set out in the Notice of Annual General Meeting were put to a vote by poll, the results validated and presented to the shareholders. This same practice will prevail at the forthcoming Annual General Meeting.

Any queries or concerns with regards to the Rubberex Group may be addressed to the following persons:-

Ms. Chong Lay Kim, Company Secretary; or
Ms. Yeng Shi Mei, Company Secretary
Tel no.: 605 548 0888
Email.: lay.kim.chong@my.tricorglobal.com

OTHER INFORMATION

Sustainability Reporting

The Board of Directors are pleased to present its Detailed Sustainability Statement for the financial year ended 31 December 2021 on page 41 of this Annual Report, guided by the principals set out on Part III, Practice Note 9 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

Utilisation of Proceeds

In August 2021, the Company completed a private placement of 83,227,500 new ordinary shares at the issue price of RM0.80 per share. The net proceeds raised of RM66.1 million will be utilized in the expansion of the Group's nitrile disposable glove plant in Ipoh, Perak.

Share Buy-backs

A total of 53,918,600 shares were bought back and retained as treasury shares during the financial year as set out below:

Month	No. of shares repurchased and retained as Treasury Shares	Highest price paid RM	Lowest price paid RM	Average price paid # RM	Total consideration paid RM
January	1,631,100	1.4200	1.3200	1.3790	2,249,300
September	36,789,500	0.6200	0.5800	0.5959	21,921,478
October	6,892,200	0.5950	0.5800	0.5720	3,942,194
November	7,918,300	0.5750	0.5050	0.5349	4,235,335
December	687,500	0.5050	0.4800	0.4913	337,796
	53,918,600	1.4200	0.4800	0.6062	32,686,103

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

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

Month	No. of Treasury Shares sold	Highest price sold RM	Lowest price sold RM	Average price sold # RM	Total consideration received RM
April	2,798,600	1.5600	1.5100	1.5229	4,262,031
December	10,687,500	0.6950	0.6850	0.6844	7,314,499
	13,486,100	1.5600	0.6850	0.8584	11,576,530

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

Options, Warrants and Convertible Securities

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 INFORMATION (CONT'D)

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

There are no non-audit fees paid to the external auditors during the financial year.

Variation in results

There was no material variance between the audited results of the Group for the financial year ended 31 December 2021 and unaudited results previously released on 22 February 2022.

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

Save as disclosed below, 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 either still subsisting at the end of the financial year or entered into since the end of the financial year:

i) Subscription Agreement with Alliance Empire Sdn Bhd dated 04 October 2021, to subscribe for, and be allotted 200,000 ordinary shares (representing 20% equity interest) in Alliance Empire Sdn Bhd for a total consideration of RM180.0 million towards the completion and construction of Empire City Mall; and

ii) Shareholders' Agreement with Alliance Empire Sdn Bhd, Alliance Premier Sdn Bhd, Exsim Holdings Sdn Bhd and JD Momentum Sdn Bhd in respect of the collaboration on the development and operation of Empire City Mall.

Revaluation Policy on landed properties

There was no revaluation of landed properties during the financial year ended 31 December 2021.

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 2021.

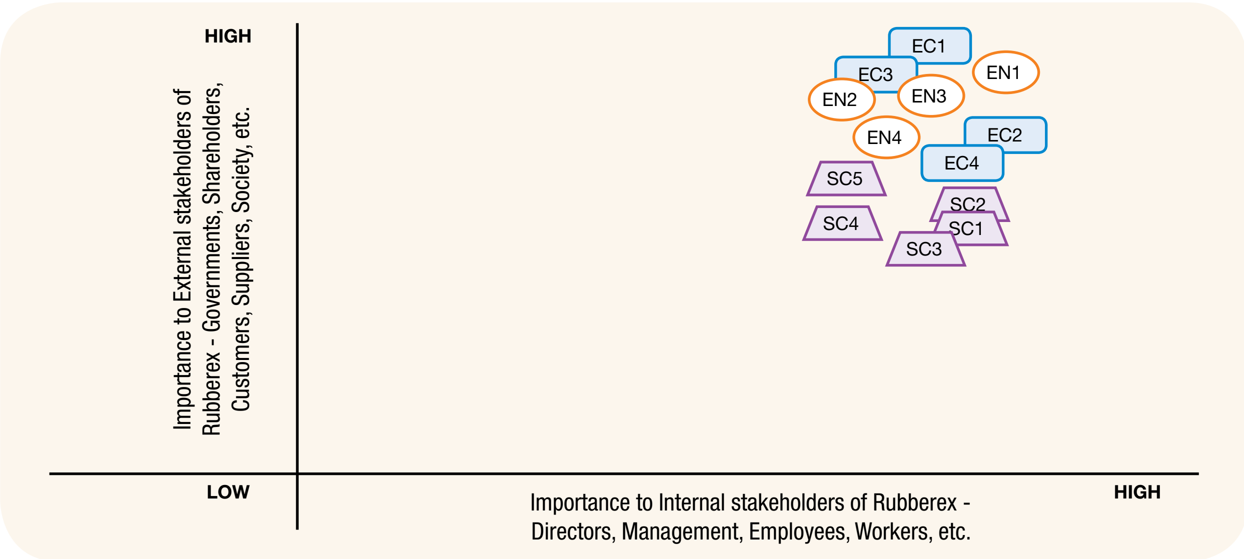
SUSTAINABILITY STATEMENT

For the financial year ended 31 December 2021

Introduction

The Board of Directors of Rubberex Corporation (M) Berhad and its subsidiary companies ("Rubberex" or the "Group") are pleased to present this Sustainability Statement for the year ended 31 December 2021. Sustainability practices and continuous improvements are progressively on-going as we strive to balance business with the interests of our stakeholders and the community at large. We continue to be guided by the three key sustainability mainstays highlighted in our previous reports: - Economic, Environmental and Social.

For the current reporting period, the Management has assessed the Group's sustainability going forward with particular emphasis on our Malaysia operations where our main factories, resources and key personnel are based. We have assessed the importance or impact that certain issues within the three core values highlighted above have on stakeholders, both internal and external. With that, the results have been summarised and presented in a grid diagram below:



Economical		Environmental		Social	
EC1	strong shareholder support	**EN1**	accreditation and compliance	**SC1**	remuneration and rewards
EC2	valuable returns on investments	**EN2**	efficient use of resources	**SC2**	health, safety and wellbeing
EC3	product quality	**EN3**	pollution and emission control	**SC3**	workplace diversity and equal opportunities
EC4	customers' satisfaction	**EN4**	seek alternative sources	**SC4**	training and development
EC5	compliance to BSCI guidelines			**SC5**	giving back to society

Understandably, our markers have pooled at the top right-hand corner in the grid, emphasising the high importance of these sustainability measures to the Group. The markers highlighted above are further explained in detail below:

Sustainability Statement
For the financial year ended 31 December 2021
(cont'd)

Economic Sustainability

The core of Rubberex's business operations is to generate profits and create sustainable value for its shareholders. The last two financial years have been uniquely challenging for the Group as the pandemic raged on amidst the emergence of new virus variants, movement restrictions and the eventual acceptance of a new normal. Where the healthcare and personal protective equipment (PPE) industry had gained much from the robust demand and usage of gloves, the promise of continual high profits enticed new entrants to the game, elevating supply and threatened average glove selling prices (ASP). The crux of Rubberex's sustainability laid in its strong established customer base and long-standing relationships with vendors, importers and major supermarket chains in Europe and Asia.

All said, Rubberex concluded the financial year with an after-tax profit result of RM185.7 million, on the back of RM510.0 in revenue or a net profit margin of 36.4%, another historic high for the Group.

(i) EC1: Strong shareholder support and Diversification

Since the emergence of Rubberex's sole controlling shareholder in 2020, Hextar Rubber Sdn Bhd and indirectly, director Dato' Ong Choo Meng at its helm, the Group has prospered on stronger financial footing, profile and management. Dato' Ong and his team have also been credited with bringing to the fore a wealth of experience, know-how and expertise from various fields and industries that were able to complement the Group's core business in gloves manufacturing. The integration of such talents and knowledge have proven synergistic to Rubberex as we capitalised on our mutual strengths to chronicle new growth and secure the long-term sustainability of the Group.

The move to diversify and venture into property investment in the current year was also a visionary statement by the Shareholder, with the far-sightedness to provide an alternative attractive income stream for the Group apart from gloves manufacturing. Rubberex's deliberately prudent 20% equity stake in Empire City Mall, an up-and-coming shopping mall that forms part of the overall development of Empire City in Klang Valley, Selangor was also pragmatic as the Group ventures into property investment for the first time. The Board and management have undertaken sufficient due diligence to ascertain that this investment is in the best interest of the Group, with potential to generate higher returns and value to shareholders in the long term.

(ii) EC2: Valuable returns on investments and strong Balance Sheet

The Group's financial result for FY2021 translated to an earnings per share of 21.81 sen to the shareholder, an improvement by 33.5% from 16.34 sen in the previous year. More significantly, cash and bank balances expanded from RM165.3 million previously to RM298.4 million at the close of the year, an increase of 80.5%, largely contributed by sales revenue as well as proceeds of RM66.1 million raised from a private placement exercise completed in August 2021. With negligible borrowings in its books, the Group is in a positive net cash position, an indicator of strong financial health, high liquidity and ample resources to finance any future viable investments plans.

Likewise, Total Equity had also swelled to RM601.1 million, from RM377.7 million just a year ago, on the back of improved earnings and solid cash reserves. The Company held back on dividend payments in the last two financial years as it stayed on track to secure a stronger financial footing for the Group via its latest venture into property investment. Such a diversified move is intended to secure the sustainability of the Group by providing an alternative source of income stream apart from glove manufacturing.

Sustainability Statement
For the financial year ended 31 December 2021
(cont'd)

Economic Sustainability (Cont'd)

(iii) EC3, EC4, EC5: Meeting high quality standards and ensuring customers' satisfaction

Rubberex's operations are duly certified with the following accreditations for the manufacture of natural and synthetic rubber gloves as well as synthetic latex examination (nitrile disposable) gloves:

- ISO 9001:2015 Quality Management Systems; and
- EN ISO 13485:2016 Quality Management Systems (Medical Devices).

In addition, Rubberex also holds the following valid certifications relevant to the manufacturing, sales and distribution of the Group's products:

- Registered with Medical Device Authority of Malaysia under section 5(1) of Medical Device Act 2012 (Act 737) for nitrile examination gloves intended for medical and dental use;
- EC Type Examination Inspection Certificate issued by Asociacion de Investigacion de la Industria Textil (Spain), Notified Body no. 0161 for the application of Regulation (EU) 2016/425 of the European Parliament and of the Council of 9th March 2016, in which the essential health and safety requirements that Personal Protective Equipment (PPE) must comply with;
- Registered with the U.S. Food and Drug Administration pursuant to Title 21, 807 et seq. of the United States Code of Federal Regulation; and
- Compliance to SEDEX Members Ethical Trade Audit (SMETA) methodology conducted by the Supplier Ethical Data Exchange (SEDEX) organisation for the monitoring of ethical business practices in global supply chains, against key audit pillars of Labour Standards, Health and Safety.

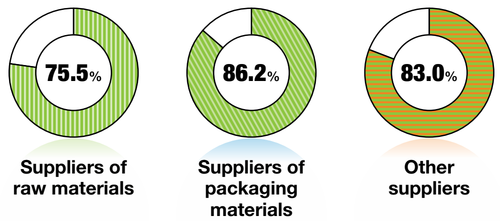
(a) Supplier assessments

A high-quality finished product begins with quality inputs or materials. Rubberex regularly conducts assessment audits on its suppliers of raw materials, packaging materials, parts and services, both formally and informally, to ensure that materials are delivered within specified standards, quality, pricing and lead times.

The Group also adopts a fair and impartial approach in its purchasing activities by ensuring competitive prices for its materials and parts; for certain major capital expenditure, the Group occasionally practices open tenders and purchases from the lowest bidder.

In the current year 2021, the evaluation of suppliers for the Group's Malaysia operations have consistently achieved Grades A, with performances rated in the range of 70% to 99%:

	Average Rating
Suppliers of raw materials	75.5%
Suppliers of packaging materials	86.2%
Other suppliers	83.0%



(b) Customers' surveillance and social audits

Under normal operating conditions, Rubberex regularly receives and hosts overseas customers or buyers, both existing and new prospects, who pay official calls to our plants for quality reviews and assessments. Through these visits, our Marketing teams garner valuable feedback on our market position, product application, process improvements, shipments and deliveries. Customers' complaints, if any, are also addressed promptly. Due to the pandemic and restrictions on travel movements in the current year, physical customers' surveillance audits were temporarily curbed and/or conducted virtually via video calls.

Sustainability Statement
For the financial year ended 31 December 2021
(cont'd)

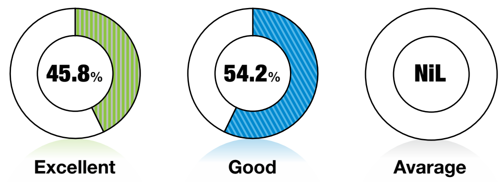
Economic Sustainability (Cont'd)

(iii) EC3, EC4, EC5: Meeting high quality standards and ensuring customers' satisfaction (Cont'd)

(b) Customers' surveillance and social audits (Cont'd)

However, a pandemic or not did not preclude Rubberex from conducting its annual formal customer satisfaction surveys in order to fully understand customers' expectations and maintain rapport. The results of such surveys in 2021 indicate that 45.8% of our customers have rated the Group "excellent" in terms of our product quality, services and business support:

No. of customers surveyed	97
No. of replies received	59 (60.8%)
Results:	
Rating: Excellent	45.8%
Rating: Good	54.2%
Rating: Average	nil



During the year, a total of 6 audits and checks were also carried out by Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP) to ensure safe work practices, chemical handling and emergency procedures, particularly to the compliance of SOPs imposed by the local government.

Social audits play a crucial role in safeguarding the continuity of the Group's operations. Guided by the Business Social Compliance Initiative (BSCI) supply chain management system, these audits served to safeguard the continuity of the Group's operations by ensuring that processes and workers that form part of our products' supply chain were accorded fair equitable working conditions in accordance with international labour laws governing the rights and duties of employees, employers, trade unions and governments. During the year, 7 social audits were carried out, largely remotely due to inevitable travel restrictions brought on by the pandemic.

More significantly, the Group was graded and has passed its annual stringent and rigorous SEDEX Members Ethical Trade Audit (SMETA) conducted by the Supplier Ethical Data Exchange (SEDEX) organisation for the monitoring of ethical business practices in global supply chains and was satisfactorily accorded compliance to their key audit pillars of Labour Standards, Health and Safety.

Environmental Sustainability

The Group's commitment to the planet's sustainability and ecological systems encompasses the prudent use of energy, pollution management and control, culture of recycling and adoption of greener fuel sources.

(i) EN1: Accreditation and regulatory compliance

Rubberex is certified by SIRIM QAS International Sdn Bhd, a local accredited certification, inspection and testing services provider, and diligently upholds its ISO 14001:2015 compliance to the highest international environmental standards, both in its manufacturing processes and factory management.

(ii) EN2: Efficient use of energy and resources

On a yearly basis, Rubberex is assessed by a qualified registered electrical energy manager appointed by Suruhanjaya Tenaga Malaysia (Energy Commission of Malaysia) on compliance to relevant legislative and regulatory requirements as well as on efficient management of electrical energy. Where practical and economically viable, several cost saving initiatives were also reviewed and implemented throughout the year, among which was the adoption and conversion of conventional lightings to LED types at various parts of the plants and crucially, the installation of an inverter in one of the plant's biomass circulation pumps, resulting in electricity cost savings of more than RM76,000 a year.

Sustainability Statement
For the financial year ended 31 December 2021
(cont'd)

Environmental Sustainability (Cont'd)

(ii) EN2: Efficient use of energy and resources (Cont'd)

In the current year, Rubberex also commissioned the installation of a solar photovoltaic power generation system at its plant, at an approximate cost of RM5.0 million, with the intent of harnessing the power of the sun to produce a form of renewable energy that is clean and environmentally friendly. This investment is beneficial to the Group as a hedge against electricity tariff hikes and is a practical viable approach to conserving and managing energy charges. The electricity cost savings from such investment amounts to between RM1.2 million to RM1.5 million per year, even before taking into account the various tax incentives and allowances promoted by the Malaysian government; this ultimately translates to higher returns to the Group in the long run.

Our internal Energy Savings Committee, comprising 14 staff and competent personnel from various departments, also meet at least once monthly to review and promote responsible energy use, strengthening our long-term commitment towards a greener sustainable planet.

(iii) EN3: Recycle, Reduce and Reuse

Rubberex's household and certain industrial gloves produced in Malaysia are largely made from natural rubber – they are recyclable as well as biodegradable in soil where the gloves naturally disintegrate into organic matter over time, causing no harm to the environment or water systems.

Other than pollution and emission controls, our effluent discharges are effectively treated before release to the river systems and reused in the factories. The Group is guided by the Environmental Quality (Industrial Effluent) Regulations 2009 and is in compliance to the design and construction of its industrial effluent treatment systems as well as specifications of industrial effluent treated and/or disposed. In the current year, our Malaysian plants treated and released approximately 2.0 million meter cubes of water back to the local river systems.

In another tangible effort to reduce carbon footprint, where possible, the Group also promoted the packaging of gloves in the doubled-up 200 piece-pack or 2,000 pieces per carton style so as to optimise paper and chemicals usage, contributing to less wastes, lower costs and a kinder environment in the long run.

To promote the culture of Recycle, Reduce and Reuse, staff and workers are also encouraged to deposit recyclable items such as used paper, glass and plastic wares at designated well-marked storage bins located strategically within the factory grounds.

(iv) EN4: Our commitment to the future

Rubberex's commitment to the sustainability of the environment extended to the latest nitrile disposable glove phase that was fully commissioned in early 2021; the production of this plant's 1.5 billion pieces of gloves is powered by natural gas rather than biomass due to it being a cleaner, more viable and environmentally friendly alternative to conventional fuel.

The Group's older household and industrial glove production lines that are currently energised by biomass are also in the midst of being replaced by gas-powered boilers. With the consumption of woodchips and palm kernel shells eliminated, the switch to cleaner energy promotes the preservation of air and noise quality in the environment.

Crucially, sustainability of the Group's future is also secured in its upcoming next phase of expansion which was conscientiously sought in Lahat, Kinta district, Perak primarily due to its prime location along national gas pipelines.

Sustainability Statement
For the financial year ended 31 December 2021
(cont'd)

Social Sustainability

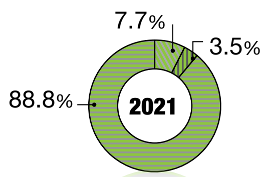
To ensure long term business continuity, we acknowledge that our employees are vital strategic assets of the Group; we support, protect and nurture our employees in terms of their career and personal development. The Group's social commitments and responsibilities also extend to the community at large and in particular to residents living within close proximity to our manufacturing premises. Some of the Group's principle indicators of social sustainability are outlined below:-

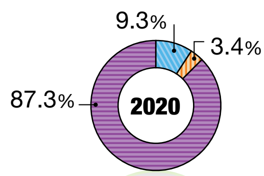
(i) SC1: Remuneration and rewards

Rubberex's Group-wide human resource policy with regards to recruitment and retention are comparable to industry averages, employees' skills set, performance, experience and qualifications. The Group maintains a lean organisation chart, with minimal reporting lines of authority so as to encourage communication and accountability.

In the financial year 2021, the remuneration of the Group's key management personnel, including the Managing and Executive Directors, have accounted for approximately 11.2% of total employee benefits expenses, a slight reduction from 12.7% of the previous year 2020.

	As % of total employee benefits expenses	
	Year 2021	**Year 2020**
Remuneration paid to top 5 senior management	7.7%	9.3%
Remuneration paid to other key management personnel	3.5%	3.4%
Remuneration paid to other employees	88.8%	87.3%





As have salary increments and promotions, staff bonuses were disbursed in both financial years and amounts paid to key management personnel were based on merit, directly linked to the results of their divisions as well as their individual leadership and executive performances.

As at 31 December 2021, the average length of service by the Group's key management personnel was 23.8 years, underscoring the extensive breadth of knowledge, experiences and leadership of these individuals. The Group also valued loyalty among its employees and long service awards were granted to employees who have been with the Group for at least 10 years. In the current year, a total of 52 employees were rewarded and presented with certificates of appreciation for their continuous services to the Group:

No. of employees presented with 10-year service awards	41
No. of employees presented with 20-year service awards	7
No. of employees presented with 30-year service awards	4

Sustainability Statement
For the financial year ended 31 December 2021
(cont'd)

Social Sustainability (Cont'd)

(ii) SC2: Health, Safety and Wellbeing

Our employees' comfort, physical and mental wellbeing are a priority and workers' safety are never compromised. The Group's established Safety and Health policy governs the provision and use of safety equipment, safety gear and other protective wear for factory and contract workers as well as visitors. Rubberex has also been audited and certified in compliance to the requirements of ISO 45001:2018 Occupational Health and Safety Management Systems.

In the midst of the pandemic, additional precautions were also taken to ensure the safety and well-being of its workers, among which were the implementation of strict social distancing rules, provision of face masks, sanitisation of work spaces, and disinfection of workers' transportation vehicles and dormitories.

In the last two financial years, a number of employees from designated departments have also routinely undergone specific occupational health and safety checks such as audiometric tests, chemical exposure monitoring tests and other ad-hoc general health screenings provided by the Group:

		Frequency	No. of employees
Chemical Exposure Monitoring	Test for exposure to hazardous materials	At least once yearly	7
Medical Surveillance	In compliance with Occupational Safety & Health Act 1994	As required	44

A total of 12 industrial accidents were reported at our Malaysia plants in 2021 of which the majority of these cases classified as "minor" and more crucially, no fatalities were involved.

	No. of industrial accidents	
	Year 2021	Year 2020
Major (requiring more than 5 medical leave)	5	4
Minor	7	13
Fatalities	Nil	1

Throughout the year, fire drills were also carried out regularly, including at night and at workers' dormitories, to familiarise employees with safety procedures, escape routes, evacuation plans and meeting points in case of a fire. These fire drills were organised by our in-house Safety and Emergency Response Teams, consisting of 54 competent employees from various departments and work shifts, who have been trained in basic fire-fighting, medical care and first aid. The average response times of this exercise, from the trigger of alarm to full assembly was 3.1 minutes, which was below that recommended by the local fire department of 7.0 minutes.

Other than the standard health benefits accorded such as paid sick leaves, maternity and paternity leaves, health insurances and dental care, employees at Rubberex were also encouraged to adopt healthy lifestyles and work-life balances. In the current year, due to the unique circumstances brought on by the pandemic and the various Movement Control Orders (MCO) implemented by the government, most social activities were deferred, certain administrative and office staff worked from home and/or on work rotational basis. In addition to strict social distancing rules put in place to safeguard against the spread of the virus, the Management also ensured that its staff and workers were accorded the necessary care should they be infected or quarantined. As of 31 March, the Group's workforce has been fully 100% double-vaccinated and 90.7% boosted against COVID-19.

For the safety and convenience of its staff and workers, Rubberex has in place on-site, a dedicated automatic teller machine (ATM) that was installed by a local bank to ease the task of cash withdrawals and/or deposits. This machine was also placed at a well-lighted area, within sight of the security guards on duty and safely monitored by closed-circuit television cameras 24 hours a day.

Sustainability Statement
For the financial year ended 31 December 2021
(cont'd)

Social Sustainability (Cont'd)

(iii) SC3: Workplace Diversity and Equal Opportunities

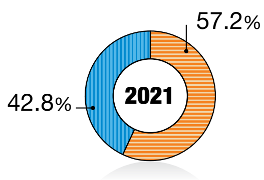
The people pool at Rubberex has always been culturally diverse with a harmonious blend of nationalities, talents and age groups. As at 31 December 2021, total employees at our Malaysia plants stood at 1,002, a decrease from 1,049 since the beginning of the year. A total of 65 foreign workers who had completed their employment contract with the Group were also repatriated back to their home countries when international borders and flights resumed in gradual phases during the year. Employee movements during the year were as follows:

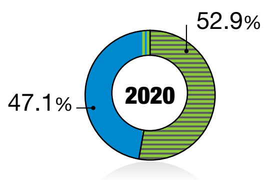
As at 01/01/2021	Recruitment	Resignation/ Left Malaysia	As at 31/12/2023
1,049	302	349	1,002

The categorisation of the Group's foreign workforce consists of workers mainly from Myanmar (74.8%), Nepal (23.3%) and Indonesia (1.9%) brought in to fulfil critical manual tasks at certain sections of the factory floor that require greater continuity and stability in terms of workers' attendance and turnover.

At present, the proportion of local workers to foreigners was slightly higher at 57.2% local, compared to 52.9% in the previous year; this was mainly due to the overdue repatriation of foreigners back to their home countries when international borders reopened from the second half of 2021. In such challenging economic times brought on by COVID-19 and the closure of multiple businesses, the Group is humbled by the ability to preserve an economic lifeline to local families affected by the pandemic.

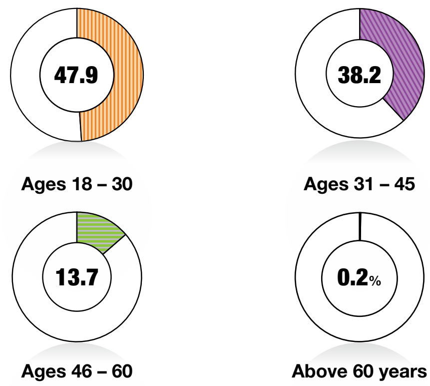
	Year 2021		Year 2020	
	No. of employees		No. of employees	
Local	573	57.2%	555	52.9%
Foreigners	429	42.8%	494	47.1%
Total	1,002	100.0%	1,049	100.0%





Our workforce in Malaysia is also one that is relatively young and dynamic, with the highest proportion of employees within the 18 to 30 years age-group. Sustainability for the Group is assured from a ready pool of willing, motivated learners, guided by the right balance of qualified experienced mentors.

	No. of employees	
Ages 18 – 30	480	47.9%
Ages 31 – 45	383	38.2%
Ages 46 – 60	137	13.7%
Above 60 years	2	0.2%
Total	1,009	100.0%



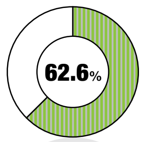
Sustainability Statement
For the financial year ended 31 December 2021
(cont'd)

Social Sustainability (Cont'd)

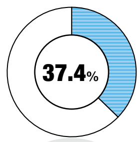
(iii) SC3: Workplace Diversity and Equal Opportunities (Cont'd)

The Group advocates fair treatment and opportunities to its employees without discrimination of gender, race, religion or beliefs. Rubberex is impartial to the traditional factory-based, technical roles previously held mostly by males and equal chances were also accorded to our female engineers, chemists and technicians within the Group. Overall, the composition of our workforce in terms of gender disposition was also balanced and unprejudiced as reflected below.

	No. of employees	
Male	627	62.6%
Female	375	37.4%
Total	1,002	100.0%



Male



Female

Rubberex's workplace culture is one that encourages employees to openly share and suggest viewpoints, ideas, complaints or grievances with Management without intimidation. To this end, suggestion boxes placed at strategic locations within the premises have effectively achieved this purpose. During the year, a total of 2 practical and constructive proposals were accepted by Management and as a gesture of appreciation, these employees were incentivised accordingly:

No. of suggestions received	6	100.0%
No. of suggestions replied	6	100.0%
No. of suggestions accepted and implemented	2	33.3%
No. of suggestions under review	–	–

(iv) SC4: Training and Development

As in the past, Rubberex has always been a strong advocate of employee development and various training courses, seminars and programs are organised, either in-house or off site. Due to the unique restrictions brought on by the pandemic, save for certain practical refresher courses, most physical training courses have been put on hold in the current year. However, this did not preclude employees from attending relevant webinars or online programs where needed as the Management is fully supportive in nurturing talent and career development.

(v) Giving back to society

In the current year, the Group, in a joint ESG collaboration with Hextar Global Berhad and Pekat Group Berhad, made a significant donation to Tung Shin Hospital for the installation of a comprehensive solar power (PV) system in an effort to promote the use of renewable energy while reducing carbon emission. Under this initiative, the parties donated, designed, supplied and installed a 154.4 kilo-watt peak (kWp) self-consumption grid connected PV system for Tung Shin Hospital that is expected to generate up to 199,000 kWh units of electricity annually while reducing carbon dioxide emission by 138.2 metric tons per year.

In addition, as responsible community members and business operators, Rubberex also carries out its corporate social responsibilities (CSR) in good faith, contributing monetary support and assistance to various charities and organisations in 2021, such as:-

- Society of the Blind, Malaysia;
- Berita Kesatuan Pekerja Bomba & Penyelamat Semenanjung Malaysia;
- Pertubuhan Kebajikan Mental Selangor (PKMS);
- Yayasan Jantung Malaysia;
- Pertubuhan Membantu Pesakit Parah Miskin Malaysia;
- Cancerlink Foundation;
- Buletin Bekas Kastam Diraja; and
- Persatuan Usahawan Maju Malaysia (PUMM).

Additionally, the Group also contributed its own-manufactured gloves to various front liners and medical professionals in the field, among them, Polis Di-Raja Malaysia, Hospital Sungai Buloh, Hospital Raja Permaisuri Bainun Ipoh, Hospital Taiping and Buddhist Tzu Chi Merits Society Malaysia (Perak).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement is prepared in compliance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires the Board of Directors of public listed companies to include in its Annual Report, a "statement about the state of risk management and internal control of the listed issuer as a Group".

The Board of Directors of Rubberex Corporation (M) Berhad is committed to maintaining a sound system of risk management and internal control in the Group and is pleased to provide the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2021.

Board Responsibility

The Board of Directors is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control systems. This includes the establishment of an appropriate control environment and risk management framework as well as continually reviewing the adequacy and integrity of the said systems to safeguard our stakeholders' interests and the Group's assets. The system of risk management and internal controls covers finance, operations, management information systems and compliance with relevant laws, both local and foreign, all other statutory regulations, policies and procedures.

Whilst acknowledging its responsibilities, the Board of Directors is also aware of the limitations that are inherent in any systems of internal control and risk management, therefore such systems are designed to manage rather than totally eliminate the risks of failure to achieve business objectives. Accordingly, such systems can only provide reasonable rather than absolute assurance against material losses, misstatements or breaches of laws and/or regulations.

Risk Management Framework

The Group's risk management and internal control framework is a continually updated and ongoing process for identifying, evaluating and managing significant risks impacting the Group. The implementation of the risk management and internal control systems are operated within the Group by qualified personnel and supported by Management throughout the financial year. The Board of Directors, with the assistance of its Audit Committee, has also received assurance from senior Management that the Group's risk management and internal control systems are operating adequately and effectively at the present time.

Internal Audit

The Internal Audit function is an independent out-sourced division in the Group that reports functionally to the Audit Committee. The Internal Auditor meets at least quarterly with the Audit Committee and provides the Committee with objective reports on the state of internal controls within the Group. If necessary, the Internal Auditor also carries out ad-hoc audit assignments under the direction of the Audit Committee.

Other Key Elements of the Group's Internal Control System

The Group's internal control system is designed primarily to facilitate the achievement of the Group's business objectives and comprise, among others, the following salient features:-

- **Organisation structure**
  The organisation structure of the Group includes defined lines of responsibility and delegation of authority to the Committees of the Board as well as authority limits for management and operating units;

- **Group policies and procedures**
  The Group's policies and procedures are set in place to ensure controls in authorisation limits as well as compliance to current laws and regulations. These policies and procedures are clearly communicated to employees and include an expected code of conduct and discipline to which employees acknowledge at the time of employment;

Statement on Risk Management and Internal Control (cont'd)

Other Key Elements of the Group's Internal Control System (Cont'd)

- **Budgeting and monitoring processes**
  The operating subsidiary companies within the Group draw up an annual budget plan prior to the commencement of each new financial year that is seen and approved by Management before a Group Annual Budget is compiled and presented to the Board of Directors for consideration. Actual operating results are compared to the forecasted results regularly with variances reviewed and management action taken, where necessary. The Board of Directors is also informed of such variances on a quarterly basis;

- **Financial Performance Review**
  Regular and comprehensive information are provided to Management, covering financial results and key business indictors such as sales, production volumes, profit margins and cash flow performance;

- **Audit Committee**
  The Audit Committee comprises non-executive members of the Board of Directors, with three independent directors forming the majority and a member that is a qualified accountant. The Audit Committee has full and unrestricted access to any information pertaining to the Group and has direct communication access to both the internal and external auditors of the Group.

Review of the Statement by External Auditors

In accordance to paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditor has reviewed this Statement in accordance with the scope set out in the Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3") issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in the review of the integrity of the system of risk management and internal control of the Group.

Conclusion

The Board has received assurance from the Managing Director that to the best of his knowledge the risk management and internal control of the Group are operating effectively and adequately in all material respects, for the year under review up to the date of approval of this statement. The Board has appraised and confirmed the risk management and internal control system is satisfactory and the control issues highlighted by both Internal and External Auditors have not resulted in any material losses, contingencies or uncertainties that would require disclosure in this report.

This statement was reviewed and approved by the Board in accordance with a resolution of the Board of Directors dated 25 April 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by the International Accounting Standards Board, the provisions of the Companies Act 2016.

The Directors are also responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2021 set out on pages 64 to 130 of the Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are reasonable and prudent. Having made adequate enquiries, the Directors have prepared the financial statements on a going concern basis.

The Directors acknowledge the responsibility for ensuring that the Group and the Company keep accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company which enables them to ensure that the financial statements comply with the Companies Act, 2016. The Directors have overall responsibilities for taking such steps so as to safeguard the assets of the Group and of the Company, to prevent and detect fraud and other irregularities

This Statement is made in accordance with a resolution of the Board of Directors dated 25 April 2022.

STATEMENT OF SHAREHOLDINGS

as at 31 March 2022

Issued and Paid-up Capital : RM257,793,534
Voting Rights on a poll : 1 vote for each share held

DISTRIBUTION OF SHAREHOLDERS FOR ORDINARY SHARES AS AT 31 MARCH 2022

(Excluding 43,171,000 Treasury Shares)

Size of Shareholdings as at 31 March 2022	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	157	0.52	3,223	0.00
100 – 1,000	4,192	13.99	2,996,994	0.34
1,001 – 10,000	16,778	55.99	83,582,771	9.58
10,001 – 100,000	8,123	27.11	238,807,762	27.38
100,001 to less than 5% of issued shares	714	2.38	321,725,578	36.88
5% and above of issued shares	3	0.01	225,215,523	25.82
Total	29,967	100.00	872,331,851	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR ORDINARY SHARES

(Excluding 43,171,000 Treasury Shares)

No.	Names	Shares	%
1	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hextar Rubber Sdn Bhd (PJCAC)	131,215,522	15.04
2	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hextar Rubber Sdn Bhd	50,000,001	5.73
3	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hextar Rubber Sdn Bhd	44,000,000	5.04
4	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hextar Rubber Sdn Bhd (M3918B)	41,000,000	4.70
5	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hextar Rubber Sdn Bhd	36,731,043	4.21
6	Diamond Silk International Sdn Bhd	9,589,457	1.09
7	Beh Chun Chuan	5,838,000	0.67
8	Oui Kee Seng	3,864,800	0.44
9	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Boey Tze Nin (PB)	3,752,000	0.43
10	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chiau Haw Choon	3,693,600	0.42
11	Kon Choi Ying	3,588,914	0.41
12	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Low Lai Inn	3,562,400	0.41
13	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Michael Heng Chun Hong (6000108)	3,200,000	0.37
14	Sabri Bin Abd Hamid	3,200,000	0.37
15	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Koek Tiang Kung (8038626)	2,823,600	0.32
16	Ong Suan Kim	2,216,092	0.25
17	Raj Preet Kaur A/P Gurnam Singh	2,142,100	0.25

Statement of Shareholdings (cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR ORDINARY SHARES (CONT'D)
(Excluding 43,171,000 Treasury Shares)

No.	Names	Shares	%
18	Lim Kwee Fatt	1,950,000	0.22
19	Goh Mooi Huan	1,866,898	0.21
20	Mohamed Bin Hamzah	1,665,920	0.19
21	Sia Tian Poh	1,500,000	0.17
22	Cartaban Nominees (Asing) Sdn Bhd - Exempt an for Barclays Capital Securities Ltd (SBL/PB)	1,490,100	0.17
23	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ping Kok Koh (041005)	1,464,112	0.17
24	Chai Koon Khow	1,431,400	0.16
25	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yap Sim Yee (7000900)	1,400,000	0.16
26	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Sook Fun	1,370,000	0.16
27	Lee Sei Fah	1,320,000	0.15
28	Low Chee Siong	1,300,000	0.15
29	Cheong Lye Khey	1,280,000	0.15
30	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Phua Sin Mo	1,202,400	0.14
		369,658,359	42.35

SUBSTANTIAL SHAREHOLDERS FOR ORDINARY SHARES AS AT 31 MARCH 2022
(Excluding 43,171,000 Treasury Shares)

	No. of shares held			
	Direct	%	Indirect	%
Hextar Rubber Sdn. Bhd.	302,946,566	34.73	–	–
Dato' Ong Choo Meng	–	–	302,946,566	34.73#

Deemed interested by virtue of his shareholding in Hextar Rubber Sdn. Bhd.

DIRECTORS' INTERESTS FOR ORDINARY SHARES AS AT 31 MARCH 2022
(Excluding 43,171,000 Treasury Shares)

	No. of shares held			
	Direct	%	Indirect	%
Liew Jee Min @ Chong Jee Min	–	–	–	–
Dato' Mohamed Bin Hamzah	1,665,920	0.19	–	–
Khoo Chin Leng	32,070	0.00	22,812	0.00#
Dato' Ong Choo Meng	–	–	302,946,566	34.73+
Dato' Chan Choun Sien	–	–	–	–
Goh Hsu-Ming	–	–	–	–
Lim Chee Lip	–	–	–	–

Deemed interested by virtue of his shareholding held through TA Nominees (Tempatan) Sdn. Bhd. and the shareholding of his spouse, Madam Yeoh Pei Hoon

+ Deemed interested by virtue of his shareholding in Hextar Rubber Sdn. Bhd.

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, 2021.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary is as disclosed in Note 17 to the financial statements.

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 attributable to owners of the Company	185,740,408	(537,741)

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.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any final dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital by the issuance of 83,227,500 new ordinary shares pursuant to a private placement exercise at an issue price of RM0.80 per ordinary share.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company. Further details are disclosed in Note 24(a) to the financial statements.

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

Directors' Report (cont'd)

TREASURY SHARES

Treasury shares related to ordinary shares of the Company are repurchased and are held by the Company in accordance with the requirement of Section 127(4)(b) of the Companies Act, 2016. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

During the financial year, the Company:

(i) repurchased 53,918,600 ordinary shares from the open market of Bursa Malaysia Securities Berhad. The total amount paid for the acquisition of shares was RM32,686,103 and has been deducted from equity. The average price paid for the shares repurchased was RM0.61 per share. The repurchase transactions were financed by internally generated funds; and

(ii) sold 13,486,100 units of the treasury shares in the open market of Bursa Malaysia Securities Berhad for RM11,576,530 (after deducting expenses incurred in relation to the sale of treasury shares) to increase the working capital of the Company. The average selling price of the treasury shares was RM0.86 per share. The resulting gains arising from the treasury shares sold of RM1,480,629 have been credited to the retained earnings account.

As of the end of the financial year, the Company held a total of 41,600,000 treasury shares. Further details are disclosed in Note 24(b) to the financial statements.

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 STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, 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 had satisfied themselves that no known bad debts needed to be written off and that no allowance for doubtful debts was necessary; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(a) which would require the writting off of any bad debts or the making of allowance for doubtful debts in the financial statements of the Group and of the Company; 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 would 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 the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Directors' Report
(cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

As of 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 which secures the liabilities of any other person; and

(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 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 in the financial year in which this report is made other than those disclosed in Notes 34 and 35 to the financial statements.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Mohamed bin Hamzah
Mr. Khoo Chin Leng
Dato' Ong Choo Meng
Mr. Lim Chee Lip
Dato' Chan Choun Sien
Mr. Goh Hsu-Ming (appointed on August 5, 2021)
Mr. Liew Jee Min @ Chong Jee Min (appointed on August 12, 2021)
Dato' Dr. Teo Tong Kooi (resigned on August 12, 2021)
En. Mustapha bin Mohamed (resigned on August 30, 2021)

The directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Name of directors	Subsidiaries
Mr. Khoo Chin Leng	RM, DG, RA, RSSL
En. Sabri bin Abd Hamid	RM, DG, RA, RSSL
Mr. Khoo Thiam Chye (resigned on December 1, 2021)	RM, DG, RA
Mr. Lim Chee Lip (first director)	RESB
Mr. Goh Hsu-Ming (first director)	RESB

Denotes:

RM	Rubberex (M) Sdn. Berhad
DG	Diamond Grip (M) Sdn. Bhd.
RSSL	Rubberex Spain, S.L.
RA	Rubberex Alliance Sdn. Bhd.
RESB	Rubberex Empire Sdn. Bhd.

Directors' Report
(cont'd)

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors as of the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			
	Balance as of 1.1.2021	**Bought**	**Sold**	**Balance as of 31.12.2021**
Shares in the Company				
Registered in the name of directors				
Dato' Mohamed bin Hamzah	1,615,920	50,000	–	1,665,920
Mr. Khoo Chin Leng	32,070	–	–	32,070
Indirect interests				
Mr. Khoo Chin Leng	22,812	–	–	22,812
Dato' Ong Choo Meng	416,946,566	–	(114,000,000)	302,946,566

None of the other directors in office as of the end of the financial year held shares or had beneficial interests in the shares of the Company or of its subsidiaries during or as of the beginning and end of 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 a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed below) 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.

Directors' remuneration

	The Group RM	The Company RM
Directors' fees	460,807	460,807
Salaries, allowances and bonuses	3,112,324	43,000
Contributions to the Employees' Provident Fund	261,671	–
	3,834,802	503,807
Benefits-in-kind*	75,900	–

* Represents estimated monetary value of benefits-in-kind received and receivable by the directors other than in cash from the Group.

During and as of 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.

Directors' Report
(cont'd)

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and other officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and other officers of the Company. The amount of insurance premium paid/payable during the year amounted to RM13,450.

There was no indemnity given to or insurance effected for auditors of the Company.

AUDITORS

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

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial year ended December 31, 2021 are as follows:

	The Group RM	The Company RM
Fees paid/payable:		
Statutory audit	294,690	79,500
Non-audit services:		
Current year	3,000	3,000
Prior year	4,000	4,000

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

MR. KHOO CHIN LENG

MR. LIEW JEE MIN @ CHONG JEE MIN

Ipoh, April 25, 2022

INDEPENDENT AUDITORS' REPORT

to the members of Rubberex Corporation (M) Berhad (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

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, 2021, and the statements of profit or loss and other 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of December 31, 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters are addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

to the members of Rubberex Corporation (M) Berhad (Incorporated in Malaysia)

(cont'd)

Key Audit Matters (Cont'd)

Key Audit Matter	How the matter was addressed in the audit
Capitalisation of property, plant and equipment The Group is embarking on expansion plans to include new production lines for nitrile disposable gloves through one of its wholly-owned subsidiary, Rubberex Alliance Sdn. Bhd. ("RASB"). RASB started constructing five (5) new double-former nitrile disposable gloves production lines at a new plant under Phase 2 expansion plan in prior year. Due to implementation of Movement Control Order by the Malaysian government on March 18, 2020, the installation and commissioning of the first three (3) double-former production lines was delayed and was only completed in the last quarter of 2020. The remaining two (2) production lines were installed and commissioned during the first quarter of the current financial year. As disclosed in Note 14 to the financial statements, total capital expenditure, inclusive of capital work-in-progress ("CWIP") of the Group was amounted to RM38.1 million for the financial year ended December 31, 2021. This amount represents 18% from the total carrying amounts of property, plant and equipment as of that date. The significant level of capital expenditure required careful consideration of the nature of costs incurred to ensure that capitalisation of such costs as property, plant and equipment meets the specific recognition criteria of MFRS 116 Property, Plant and Equipment and that the useful lives assigned to these completed production lines are reasonable.	Our audit procedures, amongst others, included the following: • Tested the design and implementation of key controls surrounding the review and approval of the capitalisation of property, plant and equipment during the year. • Tested, on a sampling basis, the accuracy and appropriateness of costs capitalised during the year by assessing the nature of expenditure capitalised by RASB with reference to suppliers' invoices. • Evaluated whether costs capitalised met the recognition criteria set out in MFRS 116 *Property, Plant and Equipment.* • Challenged the anticipated useful lives assigned with reference to the Group's historical experience, our understanding of the future utilisation of assets by RASB and by reference to the depreciation policies applied by third parties operating similar assets. • On sampling basis, physically sighted the property, plant and equipment that represents new additions during the year, inclusive of CWIP.

We have not identified any key audit matter pertaining to the financial statements of the Company for the financial year ended December 31, 2021.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the Other Information. The Other Information comprises the information included in the Directors' Report and in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report
to the members of Rubberex Corporation (M) Berhad (Incorporated in Malaysia)
(cont'd)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report
to the members of Rubberex Corporation (M) Berhad (Incorporated in Malaysia)
(cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

LIM KENG PEO
Partner - 02939/01/2024 J
Chartered Accountant

Ipoh, April 25, 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2021

	Note/s	The Group 2021 RM	The Group 2020 RM	The Company 2021 RM	The Company 2020 RM
Revenue	5	509,953,805	415,146,749	–	–
Investment revenue	7	4,719,042	1,497,994	2,891,230	1,469,124
Other gains and losses	8	7,752,510	(720,637)	(91,138)	–
Other operating income	10	379,224	163,966	–	99,278
Changes in inventories of finished and trading goods		69,483,485	(9,101,889)	–	–
Purchase of finished and trading goods		(20,689,216)	(34,831,394)	–	–
Raw materials and consumables used		(208,884,440)	(114,973,462)	–	–
Depreciation of property, plant and equipment	14	(12,510,058)	(7,981,125)	–	–
Depreciation of right-of-use assets	16	(824,501)	(806,802)	–	–
Amortisation of prepaid lease payments	15	52,363	(203,608)	–	–
Directors' remuneration	9	(3,834,802)	(3,379,388)	(503,807)	(295,750)
Employee benefit expenses	9	(44,195,259)	(37,126,814)	–	–
Finance costs	11	(517,440)	(694,339)	–	–
Other operating expenses	10	(64,102,157)	(45,954,157)	(2,317,342)	(1,763,094)
Profit/(Loss) before tax		236,782,556	161,035,094	(21,057)	(490,442)
Tax expenses	12	(51,042,148)	(29,859,737)	(516,684)	(361,111)
Profit/(Loss) for the year		185,740,408	131,175,357	(537,741)	(851,553)

Statements of Profit or Loss and Other Comprehensive Income
for the year ended December 31, 2021

(cont'd)

		The Group		The Company	
	Note/s	2021 RM	2020 RM	2021 RM	2020 RM
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		185,740,408	131,175,357	(537,741)	(851,553)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(1,793,904)	1,794,299	–	–
Cumulative exchange gain reclassified from equity to profit or loss on disposal of foreign operations	17&32	(5,949,581)	–	–	–
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(7,743,485)	1,794,299	–	–
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		177,996,923	132,969,656	(537,741)	(851,553)
Earnings per share					
Basic and diluted (sen per share)	13	21.81	16.34		

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as of December 31, 2021

		The Group		The Company	
	Note/s	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	208,066,241	182,895,490	–	–
Prepaid lease payments	15	16,642,253	4,689,762	–	–
Right-of-use assets	16	1,785,079	2,702,286	–	–
Investments in subsidiaries	17	–	–	23,959,868	24,051,005
Deferred tax assets	12	–	148	–	–
Total non-current assets		226,493,573	190,287,686	23,959,868	24,051,005
Current assets					
Inventories	18	111,342,888	56,470,441	–	–
Trade and other receivables	19	24,384,448	56,196,114	–	290,409
Amount owing by subsidiaries	20	–	–	239,336,997	55,233,997
Current tax assets	12	3,058,611	188,062	110,629	188,062
Other assets	21	1,333,352	2,919,195	1,000	1,000
Other financial assets	22	89,030	110,606	–	–
Fixed deposits, cash and bank balances	23	298,386,450	165,276,171	5,862,458	131,835,953
Total current assets		438,594,779	281,160,589	245,311,084	187,549,421
Total assets		665,088,352	471,448,275	269,270,952	211,600,426
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	24(a)	257,793,534	191,211,534	257,793,534	191,211,534
Treasury shares	24(b)	(24,202,634)	(1,612,432)	(24,202,634)	(1,612,432)
Reserves	25	367,546,914	188,069,362	14,552,730	13,609,842
Total equity		601,137,814	377,668,464	248,143,630	203,208,944
Deferred and non-current liabilities					
Borrowings	26	–	3,500,000	–	–
Lease liabilities	27	1,023,930	1,929,385	–	–
Deferred tax liabilities	12	17,220,813	6,084,357	–	–
Total deferred and non-current liabilities		18,244,743	11,513,742	–	–

The accompanying Notes form an integral part of the financial statements.

Statements of Financial Position
as of December 31, 2021
(cont'd)

		The Group		The Company	
		2021	2020	2021	2020
	Note/s	RM	RM	RM	RM
Current liabilities					
Trade and other payables	28	29,594,846	55,726,216	–	–
Amount owing to a subsidiary	20	–	–	20,786,033	8,006,233
Borrowings	26	23,077	437,676	–	–
Lease liabilities	27	818,016	857,988	–	–
Current tax liabilities	12	102,119	7,030,247	–	–
Other liabilities	29	15,167,737	18,213,942	341,289	385,249
Total current liabilities		45,705,795	82,266,069	21,127,322	8,391,482
Total liabilities		63,950,538	93,779,811	21,127,322	8,391,482
Total equity and liabilities		665,088,352	471,448,275	269,270,952	211,600,426

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2021

The Group	Note	Share Capital RM	Treasury Shares RM	Non-distributable Reserve Translation Reserve RM	Distributable Reserve Retained Earnings RM	Total Equity RM
		Attributable to Owners of the Company				
Balance as of January 1, 2020		160,191,549	(7,961)	6,524,128	38,309,400	205,017,116
Profit for the year		–	–	–	131,175,357	131,175,357
Other comprehensive income for the year		–	–	1,794,299	–	1,794,299
Total comprehensive income for the year		–	–	1,794,299	131,175,357	132,969,656
Issuance of new ordinary shares	24(a)	31,019,985	–	–	–	31,019,985
Repurchase of ordinary shares	24(b)	–	(63,267,266)	–	–	(63,267,266)
Sale of treasury shares	24(b)	–	61,662,795	–	10,266,178	71,928,973
Balance as of December 31, 2020/ January 1, 2021		191,211,534	(1,612,432)	8,318,427	179,750,935	377,668,464
Profit for the year		–	–	–	185,740,408	185,740,408
Other comprehensive loss for the year		–	–	(7,743,485)	–	(7,743,485)
Total comprehensive income for the year		–	–	(7,743,485)	185,740,408	177,996,923
Issuance of new ordinary shares	24(a)	66,582,000	–	–	–	66,582,000
Repurchase of ordinary shares	24(b)	–	(32,686,103)	–	–	(32,686,103)
Sale of treasury shares	24(b)	–	10,095,901	–	1,480,629	11,576,530
Balance as of December 31, 2021		257,793,534	(24,202,634)	574,942	366,971,972	601,137,814

The accompanying Notes form an integral part of the financial statements.

Statement of Changes In Equity
for the year ended December 31, 2021

(cont'd)

		← Attributable to Owners of the Company →			
				Distributable Reserve	
The Company	**Note**	**Share Capital RM**	**Treasury Shares RM**	**Retained Earnings RM**	**Total Equity RM**
Balance as of January 1, 2020		160,191,549	(7,961)	4,195,217	164,378,805
Loss and total comprehensive loss for the year		–	–	(851,553)	(851,553)
Issuance of new ordinary shares	24(a)	31,019,985	–	–	31,019,985
Repurchase of ordinary shares	24(b)	–	(63,267,266)	–	(63,267,266)
Sale of treasury shares	24(b)	–	61,662,795	10,266,178	71,928,973
Balance as of December 31, 2020/January 1, 2021		191,211,534	(1,612,432)	13,609,842	203,208,944
Loss and total comprehensive loss for the year		–	–	(537,741)	(537,741)
Issuance of new ordinary shares	24(a)	66,582,000	–	–	66,582,000
Repurchase of ordinary shares	24(b)	–	(32,686,103)	–	(32,686,103)
Sale of treasury shares	24(b)	–	10,095,901	1,480,629	11,576,530
Balance as of December 31, 2021		257,793,534	(24,202,634)	14,552,730	248,143,630

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

for the year ended December 31, 2021

The Group	Note	2021 RM	2020 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		185,740,408	131,175,357
Adjustments for:			
Tax expenses recognised in profit or loss		51,042,148	29,859,737
Depreciation of property, plant and equipment		12,510,058	7,981,125
Depreciation of right-of-use assets		824,501	806,802
Unrealised losses/(gains) on foreign exchange		585,009	(576,990)
Finance costs		517,440	694,339
Property, plant and equipment written off		420,723	2,374,768
(Gain)/Loss on disposal of a subsidiary		(5,949,581)	1,363,802
Interest income recognised in profit or loss		(4,729,220)	(1,505,183)
Fair value gains on financial derivatives		(89,030)	(110,606)
Amortisation of prepaid lease payments		(52,363)	203,608
Bad debts written off		–	41,415
Gain on disposal of property, plant and equipment		–	(38,055)
		240,820,093	172,270,119
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		(56,726,672)	(11,847,873)
Trade and other receivables		31,224,755	(19,012,122)
Other assets		435,818	(1,685,752)
Other financial assets		110,606	21,240
(Decrease)/Increase in:			
Trade and other payables		(28,871,665)	6,383,698
Other liabilities		(2,996,226)	11,638,507
Cash Generated From Operations		183,996,709	157,767,817
Income tax refunded		539,101	539,101
Interest received		10,178	7,189
Income tax paid		(50,235,389)	(16,977,809)
Net Cash From Operating Activities		134,310,599	141,336,298
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Withdrawal/(Placement) of fixed deposits		60,000,000	(60,000,000)
Interest received		4,719,042	1,497,994
Purchase of property, plant and equipment	31(a)(i)	(35,217,125)	(61,633,776)
Payments for prepaid lease interest	31(a)(ii)	(10,761,115)	–
Proceeds from disposal of property, plant and equipment		–	65,000
Net Cash From/(Used In) Investing Activities		18,740,802	(120,070,782)

The accompanying Notes form an integral part of the financial statements.

Statement of Cash Flows
for the year ended December 31, 2021
(cont'd)

The Group	Note	2021 RM	2020 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of new shares	24(a)	66,582,000	31,019,985
Proceeds from sale of treasury shares	24(b)	11,576,530	71,928,973
Repurchase of ordinary shares	24(b)	(32,686,103)	(63,267,266)
(Repayment of)/Proceeds from term loans	31(b)	(3,500,000)	2,200,000
Repayment of lease liabilities	31(b)	(850,883)	(726,605)
Finance costs paid		(516,334)	(692,967)
Repayment of bank overdrafts	31(b)	(232,259)	(788,451)
Repayment of bills payable	31(b)	–	(6,151,000)
Dividend paid		–	(2,521,956)
Repayment of revolving credits - Net	31(b)	–	(2,500,000)
Repayment of bankers' acceptances - Net	31(b)	–	(394,000)
Repayment of trust receipts	31(b)	–	(184,000)
Net Cash From Financing Activities		40,372,951	27,922,713
NET INCREASE IN CASH AND CASH EQUIVALENTS		193,424,352	49,188,229
CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR		105,070,754	55,664,253
Effect of exchange rate changes on the balance of cash held in foreign currencies		(131,733)	218,272
CASH AND CASH EQUIVALENTS AS OF END OF YEAR	31(c)	298,363,373	105,070,754

The accompanying Notes form an integral part of the financial statements.

Statement of Cash Flows
for the year ended December 31, 2021
(cont'd)

The Company	Note	2021 RM	2020 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Loss for the year		(537,741)	(851,553)
Adjustments for:			
Tax expenses recognised in profit or loss		516,684	361,111
Investment in subsidiary written off		91,138	-
Interest income recognised in profit or loss		(2,891,230)	(1,469,124)
		(2,821,149)	(1,959,566)
Movements in working capital:			
Decrease/(Increase) in other receivables		290,409	(8,045)
(Decrease)/Increase in other liabilities - accrued expenses		(43,960)	16,649
Cash Used In Operations		(2,574,700)	(1,950,962)
Income tax paid		(439,251)	(453,056)
Net Cash Used In Operating Activities		(3,013,951)	(2,404,018)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Withdrawal/(Placement) of fixed deposits		60,000,000	(60,000,000)
Interest received		2,891,230	1,469,124
(Advances granted to)/Repayment from subsidiaries - Net		(184,103,000)	36,514,665
Acquisition of share in a subsidiary		(1)	-
Net Cash Used In Investing Activities		(121,211,771)	(22,016,211)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of new shares	24(a)	66,582,000	31,019,985
Advances from a subsidiary - Net	31(b)	12,779,800	8,006,233
Proceeds from sale of treasury shares	24(b)	11,576,530	71,928,973
Repurchase of ordinary shares	24(b)	(32,686,103)	(63,267,266)
Dividend paid		-	(2,521,956)
Net Cash From Financing Activities		58,252,227	45,165,969
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(65,973,495)	20,745,740
CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR		71,835,953	51,090,213
CASH AND CASH EQUIVALENTS AS OF END OF YEAR	31(c)	5,862,458	71,835,953

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 information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary is as disclosed in Note 17.

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

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, Malaysia.

The financial statements of the Group and of the Company are presented in their functional currency, which is Ringgit Malaysia ("RM").

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 April 25, 2022.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

(a) Adoption of amendments to MFRSs

In the current year, the Group and the Company adopted all of the amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(b) Standards in issue but not yet effective

The Group and the Company have not elected for early adoption of the relevant new and amendments to MFRSs which have been issued but not yet effective until future periods, as of the date of authorisation for issue of these financial statements. The directors anticipate that the adoption of these new and amendments to MFRSs when they become effective will have no material impact on the financial statements of the Group and of the Company in the period of initial application:

Amendments to MFRS 16	Covid-19-Related Rent Concessions[1]
Amendments to MFRS 3	Reference to the Conceptual Framework[2]
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use[2]
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract[2]
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 – 2020[2]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 17	Insurance Contracts[3]
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information[3]
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current[3]
Amendments to MFRS 101	Disclosure of Accounting Policies[3]
Amendments to MFRS 108	Definition of Accounting Estimates[3]

Notes to The Financial Statements (cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(b) Standards in issue but not yet effective (Cont'd)

Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after April 1, 2021, with earlier application permitted, including financial statements not authorised for issue at March 31, 2021.
[2] Effective for annual periods beginning on or after January 1, 2022, with earlier application permitted.
[3] Effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.
[4] Effective date deferred to a date to be announced by MASB.

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 the financial instruments as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Going Concern

The directors have, as of the time of approving the financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to The Financial Statements
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company and its subsidiaries:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstance that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing 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 subsidiaries. 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 Company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries and Basis of Consolidation (Cont'd)

Changes in the Group's ownership interest in existing subsidiaries (Cont'd)

When the Group loses control of a subsidiary, a gain or a loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary as of the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Subsidiaries

Investment in subsidiaries, which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

As of acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or deferred tax liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRSs.

Notes to The Financial Statements
(cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Business Combinations (Cont'd)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with MFRS 9 *Financial Instruments* or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest was disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

The policy described above is applied to all business combinations that take place on or after January 1, 2011.

Revenue Recognition

Contract with customers

Revenue from sale of glove products is recognise at the point of time where control of the goods have been transferred to the customer.

Contracts with export sales are mainly negotiated on free-on-board ("FOB") or cost-insurance-freight ("CIF") terms. For local sales, gloves are delivered via lorries or other forms of inland transportation locally. To a lesser extent, the Group also carries out trading activities with goods purchased from third parties and shipped or delivered directly to customers. Depending on the terms of the contract with the customer, control transfers upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer.

If shipping or similar handling costs are charged to customers, this implies that the seller is ultimately responsible for the delivery of the goods up to the customer's final destination, hence, such billings are also recognised as revenue.

Revenue is measured at the fair value of the consideration for the goods received or receivable, net of any sales tax, value-added tax or trade discounts. No element of financing is included in the glove selling prices as the consideration is received or receivable on a cash basis or within short credit terms of 180 days.

Notes to The Financial Statements
(cont'd)

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 to 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.

Segment Reporting

For management purposes, the Group is organised into operating segments that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Group's other components. The Group's reporting segments were identified based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group's reportable segments are strategic business operations that are managed separately based on the Group's management and internal reporting structure.

Employee Benefits

Short-term employee benefits

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

Defined contribution plans

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

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises any related restructuring costs. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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. As of the end of each reporting period, 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 as of 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.

Notes to The Financial Statements
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currencies (Cont'd)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risk; 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 profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign incorporated subsidiaries of the Group are expressed in RM using exchange rates prevailing as of 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 as of 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 profit or loss in the year in which the foreign incorporated subsidiary is disposed of.

Goodwill and fair value adjustments on identifiable assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing as of the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

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 profit or loss in the period in which they are incurred.

Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits 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.

Notes to The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (Cont'd)

Deferred tax (Cont'd)

The carrying amount of deferred tax assets is reviewed as of 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 period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, as of the end of the reporting period, to recover or to 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 an income in profit or loss, 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.

Property, Plant and Equipment

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

Freehold land and capital work-in-progress are not amortised/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.

The annual depreciation rates are as follows:

Factory buildings	2%
Plant and machinery	5% to 25%
Factory, auxiliary and office equipment, furniture and fittings	5% to 28%
Electrical installation	5%
Motor vehicles	10%

The estimated useful lives, residual values and depreciation method are reviewed as of the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any 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 profit or loss.

Notes to The Financial Statements
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid as of the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or a rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (Cont'd)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets, including prepaid leased payments, are presented as a separate line in the statement of financial position. Leasehold land that normally has an indefinite economic life and where the title is not expected to pass to the lessee by the end of the lease period is treated as an operating lease. The payments made on entering into or acquiring a leasehold interest represent right-of-use assets and are amortised over the remaining lease periods ranging from 46 to 99 years.

The Group applies MFRS 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy'.

Variable rents that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'other operating expenses' in profit or loss.

Impairment of Assets

As of the end of each reporting period, the Group and the Company review the carrying amounts of their assets (other than deferred tax assets, inventories and 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.

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 profit or loss.

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 profit or loss.

Notes to The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the "Weighted Average" and "First-in First-out" method. 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 and condition. The cost of finished goods comprises the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price for inventories less 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 on the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as of 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.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group and the Company have a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Financial Instruments

Financial assets and financial liabilities 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.

Financial assets and financial liabilities 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. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirely at either amortised cost or fair value, depending on the classification of the financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (Cont'd)

(i) Classification of financial assets (Cont'd)

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding are measured subsequently at amortised cost.

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal amount outstanding are measured subsequently at fair value through other comprehensive income ("FVTOCI").

By default, all other financial assets are measured subsequently at FVTPL.

(a) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at FVTOCI.

(b) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value as of the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

(ii) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as of the end of each reporting period. For financial assets measured at amortised cost and at FVTPL, exchange differences are recognised in profit or loss.

Notes to The Financial Statements
(cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Financial assets (Cont'd)

(iii) Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets that are measured at amortised cost such as trade receivables, other receivables and inter-company indebtedness (for company level). The amount of ECL is updated as of the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial assets.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions as of the end of the reporting period, including time value of money where appropriate.

For all other financial assets, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Group measures the loss allowance for that financial assets at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the end of the reporting period.

(a) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Any recoveries made are recognised in profit or loss.

(b) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount as of the end of the reporting period.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amounts through a loss allowance account.

Notes to The Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (Cont'd)

(iv) Derecognition of financial assets

The Group derecognises 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 neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interests in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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 arrangements and the definitions of a financial liability and an equity instrument.

(a) 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 are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised at cost, including transaction costs, and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(b) Financial liabilities

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

(c) Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with MFRS 9 Financial Instruments (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments (Cont'd)

(ii) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as of the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial liabilities. These foreign exchange gains and losses are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as of the end of the reporting period.

(iii) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group and the Company exchange with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group and the Company account for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss.

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.

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 as of the date the derivative contract is entered into and are subsequently remeasured to their fair value as of the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the consolidated profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the consolidated profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of all dilutive potential ordinary shares.

Statements of Cash Flows

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

Cash and cash equivalents comprise cash and bank balances, bank overdrafts which form an integral part of the Group's cash management and 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

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) 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 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 management is of the opinion that there are no 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.

5. REVENUE

The following is an analysis of the Group's and of the Company's revenue for the year:

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Sale of manufactured products	482,386,633	381,612,860	–	–
Sale of trading products	27,567,172	33,533,889	–	–
	509,953,805	415,146,749	–	–

Notes to The Financial Statements (cont'd)

6. SEGMENT REPORTING

The segment reporting is presented in a manner which is consistent with internal reporting provided to the chief operating decision maker, which is the Managing Director of the Group and senior management.

Business segment

The Group's business comprises manufacturing and sale of gloves; as such information by business segment on the Group's operations is not presented.

Geographical segment

The Group's operations are located in Malaysia and Europe. Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of performance focused on the geographical segments by location of assets.

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

Geographical segments by location of assets

The following is an analysis of the Group's revenue and results by reportable segments:

The Group 2021	**Malaysia RM**	**Europe RM**	**Eliminations RM**	**Total RM**
Revenue	531,057,148	111,913,609	(133,016,952)	509,953,805
Results				
Segment results	212,835,840	6,569,162	13,175,952	232,580,954
Investment revenue				4,719,042
Finance costs				(517,440)
Profit before tax				236,782,556
Tax expenses				(51,042,148)
Profit for the year				185,740,408
Assets				
Segment assets	603,844,711	58,185,030	–	662,029,741
Unallocated corporate assets				3,058,611
Consolidated total assets				665,088,352
Liabilities				
Segment liabilities	38,727,127	7,877,402	–	46,604,529
Unallocated corporate liabilities				17,346,009
Consolidated total liabilities				63,950,538

Notes to The Financial Statements (cont'd)

6. SEGMENT REPORTING (CONT'D)

Geographical segments by location of assets (Cont'd)

The Group 2021	Malaysia RM	Europe RM	Eliminations RM	Total RM
Other Information				
Capital expenditure	38,094,724	13,103	–	38,107,827
Payments for prepaid lease interest	11,900,128	–	–	11,900,128
Depreciation and amortisation charges	12,424,080	858,116	–	13,282,196
Property, plant and equipment written off	420,723	–	–	420,723

The Group 2020	Malaysia RM	Europe RM	Eliminations RM	Total RM
Revenue	375,732,063	171,677,054	(132,262,368)	415,146,749
Results				
Segment results	151,662,714	21,553,385	(12,984,660)	160,231,439
Investment revenue				1,497,994
Finance costs				(694,339)
Profit before tax				161,035,094
Tax expenses				(29,859,737)
Profit for the year				131,175,357
Assets				
Segment assets	419,742,855	51,517,210	–	471,260,065
Unallocated corporate assets				188,210
Consolidated total assets				471,448,275
Liabilities				
Segment liabilities	67,176,086	9,551,445	–	76,727,531
Unallocated corporate liabilities				17,052,280
Consolidated total liabilities				93,779,811
Other Information				
Capital expenditure	67,464,666	73,410	–	67,538,076
Depreciation and amortisation charges	8,004,678	986,857	–	8,991,535
Property, plant and equipment written off	1,971,662	403,106	–	2,374,768

Notes to The Financial Statements
(cont'd)

6. SEGMENT REPORTING (CONT'D)

Geographical segments by location of assets (Cont'd)

For the purposes of monitoring segment performance and allocation of resources between segments, all assets and liabilities are allocated to reportable segments other than borrowings and current and deferred tax assets/ liabilities that are managed on a group basis.

Revenue from sales to external customers by location of customers are as follows:

	The Group	
	2021 RM	2020 RM
Europe	180,689,817	229,420,166
Asia	185,249,981	90,331,817
North and South America	107,334,782	56,741,028
Rest of the world	36,679,225	38,653,738
	509,953,805	415,146,749

Revenue of approximately RM61,381,380 (2020: RM93,342,374) is derived from a single external customer which contributed 10 percent or more to the Group's revenue. This revenue is attributable to the Europe segment.

7. INVESTMENT REVENUE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest income from:				
Fixed and short-term deposits	4,719,042	1,497,994	2,891,230	1,469,124

The following is an analysis of investment revenue by category of assets that are not designated as at FVTPL:

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets measured at amortised cost	4,719,042	1,497,994	2,891,230	1,469,124

Notes to The Financial Statements (cont'd)

8. OTHER GAINS AND LOSSES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Gain/(Loss) on disposal of a subsidiary company (Note 17)	5,949,581	(1,363,802)	–	–
Realised gains/(losses) on foreign exchange	2,298,908	(82,486)	–	–
Fair value gains on financial derivatives designated as at FVTPL	89,030	110,606	–	–
Unrealised (losses)/gains on foreign exchange	(585,009)	576,990	–	–
Investment in subsidiary written off (Note 17)	–	–	(91,138)	–
Gain from disposal of property, plant and equipment	–	38,055	–	–
	7,752,510	(720,637)	(91,138)	–

9. DIRECTORS' REMUNERATION AND EMPLOYEE BENEFIT EXPENSES

Included in employee benefit expenses are the following:

	The Group	
	2021 RM	2020 RM
Statutory contributions	2,597,616	2,167,656
Expense relating to short-term leases	322,427	196,350
Termination benefits	168,742	–

Notes to The Financial Statements
(cont'd)

9. DIRECTORS' REMUNERATION AND EMPLOYEE BENEFIT EXPENSES (CONT'D)

Details of remuneration of directors of the Group and of the Company are as follows:

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive directors of the Company:				
Salaries, allowances and bonuses	1,737,944	1,370,020	–	–
Statutory contributions	114,381	63,440	–	–
	1,852,325	1,433,460	–	–
Executive directors of the subsidiaries:				
Salaries and bonuses	1,331,380	1,498,165	–	–
Statutory contributions	147,290	152,013	–	–
	1,478,670	1,650,178	–	–
Non-executive directors:				
Fees	460,807	257,750	460,807	257,750
Allowances	43,000	38,000	43,000	38,000
	503,807	295,750	503,807	295,750
	3,834,802	3,379,388	503,807	295,750

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM75,900 (2020: RM12,650).

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 Group either directly or indirectly which includes Executive directors of the Group and certain members of senior management of the Group.

The remuneration of members of key management personnel (other than the directors) of the Group during the year are as follows:

	The Group	
	2021 RM	2020 RM
Short-term employee benefits	1,687,911	1,792,686
Statutory contributions	181,330	197,587
	1,869,241	1,990,273

The estimated monetary value of benefits-in-kind received and receivable by members of key management personnel otherwise than in cash from the Group amounted to RM22,200 (2020: RM3,700).

Notes to The Financial Statements (cont'd)

10. OTHER OPERATING INCOME/(EXPENSES)

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

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest income	10,178	7,189	–	–
Property, plant and equipment written off	(420,723)	(2,374,768)	–	–
Auditors' remuneration:				
Statutory audit	(294,690)	(274,103)	(79,500)	(79,500)
Non-audit services:				
Current year	(3,000)	(3,000)	(3,000)	(3,000)
Prior year	(4,000)	–	(4,000)	–
Expense relating to short-term leases (Note 16)	(178,276)	(99,254)	–	–
Bad debts written off	–	(41,415)	–	–

11. FINANCE COSTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interests on:				
Term loans	90,633	83,555	–	–
Bank overdrafts	10,821	30,408	–	–
Lease liabilities (Notes 16 & 27)	1,106	1,372	–	–
Bills payable	–	84,823	–	–
Revolving credits	–	44,530	–	–
Trust receipts	–	20,615	–	–
Bank charges and commitment fees	414,880	429,036	–	–
Total interest expense for financial liabilities that are not designated as at FVTPL	517,440	694,339	–	–

Notes to The Financial Statements
(cont'd)

12. TAX EXPENSES

	The Group 2021 RM	The Group 2020 RM	The Company 2021 RM	The Company 2020 RM
Tax expenses comprise:				
Current income tax expense:				
Malaysian	38,173,000	18,092,128	523,000	246,000
Foreign	1,462,487	5,365,119	–	–
Adjustment recognised in the current year in relation to the income tax of prior year	270,059	(101,430)	(6,316)	115,111
	39,905,546	23,355,817	516,684	361,111
Deferred tax relating to origination and reversal of temporary differences:				
Current year:				
Malaysian	8,060,456	6,651,532	–	–
Foreign	146	–	–	–
Adjustment recognised in the current year in relation to the deferred tax of prior year	3,076,000	(147,612)	–	–
	11,136,602	6,503,920	–	–
Total tax expenses	51,042,148	29,859,737	516,684	361,111

The Group has availed itself to the special reinvestment allowance made available under the National Economic Recovery Plan ("PENJANA"). This is in respect of capital expenditure for qualifying projects from the years assessment 2020 to 2022.

Notes to The Financial Statements (cont'd)

12. TAX EXPENSES (CONT'D)

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

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax	236,782,556	161,035,094	(21,057)	(490,442)
Tax/(Loss) calculated at 24% (2020: 24%)	56,828,000	38,648,000	(5,000)	(118,000)
Tax effects of:				
Expenses that are not deductible in determining taxable profit	1,453,089	1,078,779	528,000	388,000
Utilisation of Special Reinvestment Allowances	(8,977,000)	(7,610,000)	–	–
Income that is not taxable in determining taxable profit	(1,502,000)	(24,000)	–	(24,000)
Temporary differences arising from property, plant and equipment	–	(2,186,000)	–	–
Effect of different tax rates in other jurisdictions	(106,000)	202,000	–	–
	47,696,089	30,108,779	523,000	246,000
Adjustment recognised in the current year in relation to the income tax of prior year	270,059	(101,430)	(6,316)	115,111
Adjustment recognised in the current year in relation to the deferred tax of prior year	3,076,000	(147,612)	–	–
Tax expenses recognised in profit or loss	51,042,148	29,859,737	516,684	361,111

Malaysian income tax rate remained at 24% (2020: 24%) for the year of assessment 2021 of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax assets				
Tax refund receivables	3,058,611	188,062	110,629	188,062
Current tax liabilities				
Income tax payables	102,119	7,030,247	–	–

Notes to The Financial Statements
(cont'd)

12. TAX EXPENSES (CONT'D)

Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	The Group 2021 RM	The Group 2020 RM
Deferred tax assets	–	148
Deferred tax liabilities	(17,220,813)	(6,084,357)
	(17,220,813)	(6,084,209)

The movements in deferred tax assets/(liabilities) during the year are as follows:

	Balance as of January 1 RM	Recognised in profit or loss RM	Net foreign currency exchange differences RM	Balance as of December 31 RM
The Group				
2021				
Deferred tax (liabilities)/assets				
Property, plant and equipment	(9,732,647)	(8,992,146)	(2)	(18,724,795)
Unrealised gain on inventories	3,801,438	(2,442,456)	–	1,358,982
Unrealised foreign exchange differences	(153,000)	298,000	–	145,000
	(6,084,209)	(11,136,602)	(2)	(17,220,813)
2020				
Deferred tax (liabilities)/assets				
Property, plant and equipment	(4,730,286)	(5,002,388)	27	(9,732,647)
Unrealised gain on inventories	304,970	3,496,468	–	3,801,438
Changes in fair values of financial derivatives	(2,000)	2,000	–	–
Unrealised foreign exchange differences	102,000	(255,000)	–	(153,000)
Unutilised tax losses and unabsorbed tax capital allowances	(55,000)	55,000	–	–
Incentive for increase in export	4,800,000	(4,800,000)	–	–
	419,684	(6,503,920)	27	(6,084,209)

Notes to The Financial Statements (cont'd)

13. EARNINGS PER SHARE

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

	The Group	
	2021 RM	2020 RM
Profit for the year attributable to owners of the Company	185,740,408	131,175,357

	2021 Shares	2020 Shares
Number of ordinary shares in issue as of January 1	832,275,351	756,616,851
Number of treasury shares as of January 1	(1,167,500)	(30,000)
Issuance of new shares	34,678,125	50,439,000
Ordinary shares repurchased	(16,994,325)	(9,859,692)
Treasury shares sold	2,989,575	5,417,100
Weighted average number of ordinary shares in issue as of December 31	851,781,226	802,583,259

	2021 Sen	2020 Sen
Basic and diluted earnings per share	21.81	16.34

Notes to The Financial Statements
(cont'd)

14. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Factory buildings RM	Plant and machinery RM	Factory, auxiliary and office equipment, furniture and fittings RM	Electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Cost								
Balance as of January 1, 2020	3,545,041	34,502,727	194,160,045	17,158,220	1,896,028	2,104,475	41,146,500	294,513,036
Additions	–	237,580	1,100,517	581,884	–	2,435,645	63,182,450	67,538,076
Disposals	–	–	–	–	–	(186,772)	–	(186,772)
Write offs	–	–	(3,526,551)	(1,090,537)	–	–	(1,651,774)	(6,268,862)
Reclassification	–	17,840,051	30,066,435	1,041,160	3,055,661	–	(52,003,307)	–
Net foreign currency exchange differences	–	–	–	87,843	–	–	–	87,843
Balance as of December 31, 2020/ January 1, 2021	3,545,041	52,580,358	221,800,446	17,778,570	4,951,689	4,353,348	50,673,869	355,683,321
Additions	–	2,285,191	9,826,455	2,585,131	224,316	281,193	22,905,541	38,107,827
Write offs	–	–	(1,523,860)	–	–	–	(13,830)	(1,537,690)
Reclassification	–	14,362,098	42,605,935	1,003,732	2,620,015	204,900	(60,796,680)	–
Net foreign currency exchange differences	–	–	–	(37,433)	–	–	–	(37,433)
Balance as of December 31, 2021	3,545,041	69,227,647	272,708,976	21,330,000	7,796,020	4,839,441	12,768,900	392,216,025

Notes to The Financial Statements
(cont'd)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Freehold land RM	Factory buildings RM	Plant and machinery RM	Factory, auxiliary and office equipment, furniture and fittings RM	Electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Accumulated depreciation and impairment								
Balance as of January 1, 2020	–	17,292,073	136,975,288	12,308,962	618,453	1,610,585	–	168,805,361
Charge for the year	–	670,107	6,150,858	825,460	116,883	217,817	–	7,981,125
Disposals	–	–	–	–	–	(159,827)	–	(159,827)
Write offs	–	–	(3,262,657)	(631,437)	–	–	–	(3,894,094)
Net foreign currency exchange differences	–	–	–	55,266	–	–	–	55,266
Balance as of December 31, 2020/ January 1, 2021	–	17,962,180	139,863,489	12,558,251	735,336	1,668,575	–	172,787,831
Charge for the year	–	1,154,199	9,738,402	864,523	370,450	382,484	–	12,510,058
Write offs	–	–	(1,116,967)	–	–	–	–	(1,116,967)
Net foreign currency exchange differences	–	–	–	(31,138)	–	–	–	(31,138)
Balance as of December 31, 2021	–	19,116,379	148,484,924	13,391,636	1,105,786	2,051,059	–	184,149,784

Notes to The Financial Statements
(cont'd)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Freehold land RM	Factory buildings RM	Plant and machinery RM	Factory, auxiliary and office equipment, furniture and fittings RM	Electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Carrying amount								
Balance as of December 31, 2021	3,545,041	50,111,268	124,224,052	7,938,364	6,690,234	2,788,382	12,768,900	208,066,241
Balance as of December 31, 2020	3,545,041	34,618,178	81,936,957	5,220,319	4,216,353	2,684,773	50,673,869	182,895,490

Factory buildings of the Group with total carrying amount of RM31,750,584 in 2020 were charged to licensed banks for facilities granted to a subsidiary as disclosed in Note 26. The factory buildings are in the process of being discharged upon full settlement of term loans by the subsidiary during the year.

Notes to The Financial Statements (cont'd)

15. PREPAID LEASE PAYMENTS

The Group	Leasehold land 2021 RM	2020 RM
At cost		
Balance as of beginning of year	5,545,309	5,545,309
Additions	11,900,128	–
Balance as of end of year	17,445,437	5,545,309
Accumulated amortisation		
At beginning of year	855,547	651,939
Amortisation:		
Current year	75,622	203,608
Prior year*	(127,985)	–
	(52,363)	203,608
Balance as of end of year	803,184	855,547
Carrying amount		
Balance as of end of year	16,642,253	4,689,762

* This relating to over-recognition of amortisation in prior year.

Leasehold land of the Group with total carrying amount of RM4,689,762 in 2020 were charged to licensed banks for facilities granted to a subsidiary as disclosed in Note 26. The leasehold land is in the process of being discharged upon full settlement of term loans by the subsidiary during the year.

Notes to The Financial Statements
(cont'd)

16. RIGHT-OF-USE ASSETS

The Group	Warehouse 2021 RM	2020 RM
Cost		
Balance as of beginning of year	4,369,508	1,682,489
Additions	–	2,482,798
Net foreign currency exchange differences	(200,243)	204,221
Balance as of end of year	4,169,265	4,369,508
Accumulated depreciation		
Balance as of beginning of year	1,667,222	776,532
Charge during the year	824,501	806,802
Net foreign currency exchange differences	(107,537)	83,888
Balance as of end of year	2,384,186	1,667,222
Carrying amount		
Balance as of end of year	1,785,079	2,702,286

The lease term of the right-of-use assets is 3 (2020: 4) years. The maturity analysis of lease liabilities is disclosed in Note 27.

	2021 RM	2020 RM
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	824,501	806,802
Expense relating to short-term leases (Notes 9 & 10)	500,703	295,604
Interest expense on lease liabilities (Notes 11 & 27)	1,106	1,372

The total cash outflows for leases, including short-term leases, amount to RM1,351,586 (2020: RM1,022,209)

Notes to The Financial Statements (cont'd)

17. INVESTMENTS IN SUBSIDIARIES

The Company	2021 RM	2020 RM
Cost		
Balance as of beginning of year	24,051,005	24,051,005
Additions	1	–
Written off (Note 8)	(91,138)	–
Balance as of end of year	23,959,868	24,051,005
Unquoted shares:		
In Malaysia	23,959,868	23,959,867
Outside Malaysia	–	91,138
	23,959,868	24,051,005
Accumulated impairment losses		
Balance as of beginning of year	–	5,958,886
Reversal	–	(5,958,886)
Balance as of end of year	–	–
Carrying amount	23,959,868	24,051,005
Unquoted shares:		
In Malaysia	23,959,868	23,959,867
Outside Malaysia	–	91,138
	23,959,868	24,051,005

The subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Direct subsidiaries				
Rubberex (M) Sdn. Berhad ("RMSB")	Malaysia	100	100	Manufacturing and sale of household and industrial rubber gloves.
Diamond Grip (M) Sdn. Bhd. ("DGSB")	Malaysia	100	100	Manufacturing and sale of industrial rubber gloves.
Rubberex (Hong Kong) Limited	Hong Kong	–	100	Ceased operations on November 30, 2019 and has been de-registered on February 11, 2021.

Notes to The Financial Statements
(cont'd)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries are as follows: (Cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	2020 %	Principal Activities
Direct subsidiaries (Cont'd)				
Rubberex Empire Sdn. Bhd.^	Malaysia	100	–	Investment holding
Held through RMSB				
Rubberex Marketing (M) Sdn. Bhd.	Malaysia	100	100	Commenced Members' Voluntary Winding-up on January 9, 2020 and is still under liquidation as of December 31, 2021.
Rubberex Spain, S.L.*	Spain	100	100	Trading of gloves, household items, kitchen items and personal protective products.
Held through DGSB				
Rubberex Alliance Sdn. Bhd.	Malaysia	100	100	Manufacturing and sale of disposable gloves.

* The financial statements of this company are examined by auditors other than the auditors of the Company.

^ The company was incorporated on December 9, 2021 and in accordance with Section 248 of the Companies Act, 2016 in Malaysia, the financial statements of the company are not required to be audited in the current year.

During the financial year, the Company incorporated a new subsidiary, Rubberex Empire Sdn. Bhd. for a total consideration of RM1.

During the financial year, the Group disposed of its interests in Rubberex (Hong Kong) Limited ("RHK") when RHK de-registered on February 11, 2021. The gain on disposal of RHK is as follows:

	The Group 2021 RM
Proceeds from disposal	–
Parent's share of net assets derecognised	–
Cumulative exchange gain reclassified from equity to profit or loss on disposal of foreign operations	5,949,581
Gain on disposal	5,949,581

Notes to The Financial Statements (cont'd)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries 2021	2020
Manufacturing and sale of household and industrial rubber gloves	Malaysia	1	1
Manufacturing and sale of industrial rubber gloves	Malaysia	1	1
Manufacturing and sale of disposable gloves	Malaysia	1	1
Trading of gloves, household items, kitchen items and personal protective products	Spain	1	1
Investment holding	Malaysia	1	–
		5	4

18. INVENTORIES

	The Group 2021 RM	2020 RM
Finished and trading goods	91,488,272	23,855,472
Raw materials	12,817,689	22,969,962
Packing materials	4,481,032	4,837,574
Parts and consumables	1,775,833	115,423
Goods-in-transit	780,062	4,692,010
	111,342,888	56,470,441

The cost of inventories of the Group recognised as an expense during the year was RM267,408,425 (2020: RM231,649,217).

Notes to The Financial Statements
(cont'd)

19. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade receivables	23,576,773	48,668,818	–	–
Other receivables	807,675	7,527,296	–	290,409
	24,384,448	56,196,114	–	290,409

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

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Euro	17,683,256	30,757,520	–	–
United States Dollar	5,025,241	21,655,297	–	–
Ringgit Malaysia	1,675,951	3,783,297	–	290,409
	24,384,448	56,196,114	–	290,409

Trade receivables comprise amounts receivable for the sale of goods. The credit period granted on sale of goods ranged from cash to 180 days (2020: 10 to 180 days). No interest is charged on overdue outstanding trade receivables.

Trade receivables included an amount owing by a related party amounting to RM312,400 (2020: Nil). The amount owing by a related party arose mainly from trade transaction as disclosed in Note 20.

Other receivables comprise mainly advance payments to suppliers for purchase of property, plant and equipment.

The Group applies the simplified approach to measure ECL. This entails recognising a lifetime expected loss allowance for all trade receivables. Loss rates are determined based on grouping of receivables sharing the same credit risk characteristics and past due days.

Management assesses the ECL for portfolios of trade receivables based on customer segments, historical information on payment patterns, terms of payment, concentration maturity, and information about the general economic situation in the countries in which the trade receivables operate.

No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group will only write off a receivable when there is information indicating that the receivable is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the receivable has been placed under liquidation or has entered into bankruptcy proceedings.

Included in trade receivables of the Group are receivables with total carrying amount of RM4,981,592 (2020: RM19,156,939) which are past due at the end of the reporting period for which the Group has not recognised loss allowance as there have not been significant changes in their credit quality and the probability of default are assessed as remote. 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 counterparties.

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 by management at least twice a month.

Notes to The Financial Statements (cont'd)

19. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	The Group	
	2021 RM	2020 RM
Number of days past due:		
1 – 30 days	4,114,112	16,710,941
31 – 60 days	776,451	1,742,676
61 – 90 days	81,112	648,902
91 – 120 days	365	21,762
More than 120 days	9,552	32,658
	4,981,592	19,156,939

20. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Group are as follows:

Name of related party	Relationship
Hextar Industrial Chemicals Sdn. Bhd. Hextar Mitai Sdn. Bhd. Chempro Technology (M) Sdn. Bhd.	Companies in which a director of the Company, is also a director.

The amount owing by/(to) subsidiaries arose mainly from advances and expenses paid on behalf which are unsecured and are interest-free.

The amount owing by/(to) subsidiaries, classified as current assets/(liabilities), is repayable upon demand and will be settled in cash.

The amount owing by/(to) subsidiaries are denominated in Ringgit Malaysia.

During the financial year, transactions undertaken by the Group and by the Company with its related parties are as follows:

	The Company	
	2021 RM	2020 RM
Subsidiaries		
Advances received, net of repayment	12,779,800	8,006,233
Advances granted, net of repayment	(184,103,000)	–

The transactions with subsidiaries are aggregated as these transactions are similar in nature.

Notes to The Financial Statements
(cont'd)

20. RELATED PARTY TRANSACTIONS (CONT'D)

	The Group	
	2021 RM	2020 RM
Transactions with other related parties being companies in which a director of the Company is a director		
Sale of goods	792,994	183,920
Purchase of goods	(1,435,731)	(316,878)
Purchase of property, plant and equipment	(1,785,780)	–
Lab testing expenses	(21,692)	–
Factory maintenance	(19,000)	–

21. OTHER ASSETS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deposits	1,242,554	2,830,049	1,000	1,000
Prepaid expenses	90,798	89,146	–	–
	1,333,352	2,919,195	1,000	1,000

Included in deposits of the Group in 2020 was an amount of RM1,139,013 paid by a subsidiary for the prepaid lease interest.

22. OTHER FINANCIAL ASSETS

	The Group	
	2021 RM	2020 RM
Derivatives designated as at FVTPL - foreign currency forward contracts	89,030	110,606

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 and payments.

Notes to The Financial Statements (cont'd)

23. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group 2021 RM	The Group 2020 RM	The Company 2021 RM	The Company 2020 RM
Fixed deposits with licensed banks	286,800,000	142,700,000	–	122,000,000
Cash and bank balances	11,586,450	22,576,171	5,862,458	9,835,953
	298,386,450	165,276,171	5,862,458	131,835,953

The fixed deposits of the Group have maturity periods ranging from 1 to 2 months (2020: 1 to 12 months) with effective interest rates of 2.11% (2020: 1.45% to 3.55%) per annum.

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

	The Group 2021 RM	The Group 2020 RM
Ringgit Malaysia	295,976,045	159,493,136
Euro	2,077,433	4,644,011
United States Dollar	332,972	1,139,024
	298,386,450	165,276,171

Cash and bank balances of the Company are denominated in Ringgit Malaysia.

24. SHARE CAPITAL AND TREASURY SHARES

(a) Share Capital

	The Group and The Company			
	2021 Number of ordinary shares	2020 Number of ordinary shares	2021 RM	2020 RM
Issued and fully paid:				
Ordinary shares:				
As of beginning of year	832,275,351	252,205,617	191,211,534	160,191,549
Issued during the year	83,227,500	25,219,500	66,582,000	31,019,985
Bonus issue	–	554,850,234	–	–
As of end of year	915,502,851	832,275,351	257,793,534	191,211,534

Notes to The Financial Statements (cont'd)

24. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(a) Share Capital (Cont'd)

During the financial year, the Company increased its issued and paid-up ordinary share capital by the issuance of 83,227,500 new ordinary shares pursuant to a private placement exercise at an issue price of RM0.80 per ordinary share.

In 2020, the Company:

(i) increased its issued and paid-up ordinary share capital by the issuance of 25,219,500 new ordinary shares pursuant to a private placement execise at an issue price of RM1.23 per ordinary share; and

(ii) issued 554,850,234 new ordinary shares by way of issuance of bonus issues on the basis of two (2) new ordinary shares for every one (1) existing ordinary shares held in the Company (the "Bonus Issue").

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			
	2021 Number of ordinary shares	2020 Number of ordinary shares	2021 RM	2020 RM
Ordinary shares:				
As of beginning of year	1,167,500	10,000	1,612,432	7,961
Repurchased during the year	53,918,600	11,976,700	32,686,103	63,267,266
Bonus issue	–	21,618,400	–	–
Sold during the year	(13,486,100)	(32,437,600)	(10,095,901)	(61,662,795)
As of end of year	41,600,000	1,167,500	24,202,634	1,612,432

Treasury shares related to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127(4)(b) of the Companies Act, 2016. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended.

During the financial year, the Company:

(i) repurchased 53,918,600 ordinary shares from the open market of Bursa Malaysia Securities Berhad. The total amount paid for the acquisition of shares was RM32,686,103 and has been deducted from equity. The average price paid for the shares repurchased was RM0.61 per share. The repurchase transactions were financed by internally generated funds; and

(ii) sold 13,486,100 units of the treasury shares in the open market of Bursa Malaysia Securities Berhad for RM11,576,530 (after deducting expenses incurred in relation to the sale of treasury shares) to increase the working capital of the Company. The average selling price of the treasury shares was RM0.86 per share. The resulting gains arising from the treasury shares sold of RM1,480,629 have been credited to the retained earnings account.

Notes to The Financial Statements (cont'd)

24. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Treasury Shares (Cont'd)

In 2020:

(i) Prior to the Bonus Issue, the Company:

(a) repurchased 10,809,200 ordinary shares from the open market of Bursa Malaysia Securities Berhad. The total amount paid for acquisition of shares was RM61,654,834 and had been deducted from equity. The average price paid for the shares repurchased was RM5.70 per share. The repurchase transactions were financed by internally generated funds; and

(b) sold 10,000 units of the treasury shares in the open market of Bursa Malaysia Securities Berhad for RM56,564 (after deducting expenses incurred in relation to the sales of treasury shares) to increase the working capital of the Company. The average selling price of the treasury shares was RM5.66 per share. The resulting gain arising from the treasury shares sold of RM48,603 had been credited to the retained earnings account.

(ii) Post Bonus Issue, the Company:

(a) sold 32,427,600 units of the treasury shares in the open market of Bursa Malaysia Securities Berhad for RM71,872,409 (after deducting expenses incurred in relation to the sales of treasury shares) to increase the working capital of the Company. The average selling price of the treasury shares was RM2.22 per share. The resulting gain arising from the treasury shares sold of RM10,217,575 had been credited to the retained earnings account; and

(b) repurchased 1,167,500 ordinary shares from the open market of Bursa Malaysia Securities Berhad. The total amount paid for acquisition of shares was RM1,612,432 and had been deducted from equity. The average price paid for the shares repurchased was RM1.38 per share. The repurchase transactions were financed by internally generated funds.

As of December 31, 2021, the number of ordinary shares in issue and fully paid after excluding the Treasury Shares was 873,902,851 (2020: 831,107,851).

25. RESERVES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-distributable reserve:				
Translation reserve	574,942	8,318,427	–	–
Distributable reserve:				
Retained earnings	366,971,972	179,750,935	14,552,730	13,609,842
	367,546,914	188,069,362	14,552,730	13,609,842

Notes to The Financial Statements
(cont'd)

25. RESERVES (CONT'D)

Retained earnings

The entire retained earnings of the Company as of December 31, 2021 is available for distribution as single-tier dividends to the shareholders of the Company.

Translation reserve

Translation reserve represents the exchange differences arising on translation from functional currencies of financial statements of foreign subsidiaries into Ringgit Malaysia that are taken up in other comprehensive income and accumulated in equity. Such exchange differences are recognised as income or expense in profit or loss, in the period in which the foreign subsidiaries are disposed of.

26. BORROWINGS

	The Group	
	2021 RM	**2020 RM**
Secured:		
Term loans	–	3,500,000
Bank overdrafts	–	205,417
Unsecured:		
Bank overdrafts	23,077	232,259
	23,077	3,937,676
Less: Amount due within 12 months (shown under current liabilities)	(23,077)	(437,676)
Non-current portion	–	3,500,000

The non-current portion is repayable as follows:

	The Group	
	2021 RM	**2020 RM**
More than 1 year but not later than 2 years	–	68,218
More than 2 years but not later than 5 years	–	1,536,849
More than 5 years	–	1,894,933
	–	3,500,000

Borrowings of the Group are denominated in Ringgit Malaysia.

26. BORROWINGS (CONT'D)

The effective interest rates per annum are as follows:

	The Group	
	2021 %	2020 %
Term loans	3.75	3.75
Bank overdrafts	5.99 - 6.24	5.99 - 6.24
Bills payable	–	3.26 - 3.87
Bankers' acceptances	–	2.92 - 3.78

One of the subsidiaries has three (3) (2020: three (3)) term loans as follows:

(a) A seventy two (72) months secured term loan of RM23,400,000 (2020: RM23,400,000) of which a total partial drawdown of RM1,000,000 was made on December 31, 2020, will be repayable by sixty (60) monthly instalments commencing from the 13th month after the full drawdown;

(b) A seventy eight (78) months secured term loan of RM19,780,000 (2020: RM19,780,000) of which a total partial drawdown of RM1,800,000 was made on December 31, 2020, will be repayable by sixty (60) monthly instalments commencing from the 19th month after the full drawdown; and

(c) A seventy two (72) months secured term loan of RM10,820,000 (2020: RM10,820,000) of which a total partial drawdown of RM700,000 was made on December 31, 2020, will be repayable by sixty (60) monthly instalments commencing from the 13th month after the full drawdown.

During the year, all the above term loans are fully settled.

As of December 31, 2021, total credit facilities of the Group and of the Company are as follows:

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Secured:				
Term loans	–	54,000,000	–	–
Bank overdrafts, bills payable and other credit facilities	–	20,000,000	–	–
Unsecured:				
Bank overdrafts, bills payable and other credit facilities	82,500,000	62,500,000	30,000,000	30,000,000

The Group's term loans and other credit facilities are guaranteed by certain subsidiaries and also secured by letters of negative pledge from the Company and from certain subsidiaries.

In 2020, term loans and other credit facilities of the Group to the extent of RM74,000,000 were secured by a charge over certain factory buildings and leasehold land of certain subsidiaries as disclosed in Notes 14 and 15 respectively. These assets are in the process of being discharged upon full settlement of term loans by the subsidiary during the year.

Notes to The Financial Statements
(cont'd)

27. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movements during the financial year are as follows:

The Group	2021 RM	2020 RM
As of beginning of year	2,787,373	906,911
Additions	–	2,482,798
Accretion of interest (Note 11)	1,106	1,372
Settlements (Note 31(b))	(850,883)	(726,605)
Net foreign currency exchange differences	(95,650)	122,897
As of end of year	1,841,946	2,787,373
Maturity analysis:		
Year 1	818,752	858,077
Year 2	818,752	858,077
Year 3	205,669	858,077
Year 4	–	215,547
	1,843,173	2,789,778
Less: Unearned interest	(1,227)	(2,405)
	1,841,946	2,787,373
Analysed as:		
Non-current	1,023,930	1,929,385
Current	818,016	857,988
	1,841,946	2,787,373

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's management.

28. TRADE AND OTHER PAYABLES

	The Group	
	2021 RM	2020 RM
Trade payables	10,463,463	26,114,375
Other payables	19,081,777	29,565,599
Taxes payable	49,606	46,242
	29,594,846	55,726,216

Notes to The Financial Statements (cont'd)

28. TRADE AND OTHER PAYABLES (CONT'D)

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

	The Group	
	2021 RM	2020 RM
Ringgit Malaysia	18,231,913	42,876,450
United States Dollar	7,598,689	8,453,441
Euro	3,764,244	4,396,325
	29,594,846	55,726,216

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 10 to 90 days (2020: 10 to 90 days). No interest is charged on overdue outstanding trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Trade payables included amounts owing to related parties amounting to RM371,410 (2020: RM220,474). The amounts owing to related parties arose mainly from trade transactions as disclosed in Note 20.

Other payables mainly consist of advance payments received from customers and amounts payable for acquisition of property, plant and equipment, consumables, utilities, services and maintenance. The credit term granted to the Group for non-trade purchases was 30 days (2020: 30 days).

29. OTHER LIABILITIES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deposit received	206,980	–	–	–
Accrued expenses	14,960,757	18,213,942	341,289	385,249
	15,167,737	18,213,942	341,289	385,249

The currency profile of other liabilities of the Group is as follows:

	The Group	
	2021 RM	2020 RM
Ringgit Malaysia	13,757,484	17,884,884
Euro	1,203,273	329,058
United States Dollar	206,980	–
	15,167,737	18,213,942

Accrued expenses of the Company are denominated in Ringgit Malaysia.

Notes to The Financial Statements
(cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets				
At amortised cost:				
Trade and other receivables	23,940,472	56,196,114	–	290,409
Amount owing by subsidiaries	–	–	239,336,997	55,233,997
Refundable deposits	1,242,554	1,691,036	1,000	1,000
Fixed deposits, cash and bank balances	298,386,450	165,276,171	5,862,458	131,835,953
FVTPL:				
Derivatives - foreign currency forward contracts	89,030	110,606	–	–

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial liabilities				
At amortised cost:				
Trade and other payables	29,545,240	55,679,974	–	–
Other liabilities - accrued expenses	14,960,757	18,213,942	341,289	385,249
Amount owing to a subsidiary	–	–	20,786,033	8,006,233
Borrowings	23,077	3,937,676	–	–
Lease liabilities	1,841,946	2,787,373	–	–

Financial Risk Management Objectives and Policies

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

Notes to The Financial Statements
(cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign currency risk management

The Group transacts business in various foreign currencies mainly including United States Dollar ("USD") and Euro 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 and payments.

The carrying amounts of the foreign currency denominated monetary assets and liabilities of the Group at the end of the reporting period are disclosed in Notes 19, 23, 28 and 29.

Foreign currency sensitivity analysis

The management does not consider the Group's exposure to foreign currency exchange risk significant as of December 31, 2021. Therefore, sensitivity analysis for foreign currency exchange risk is not disclosed.

(ii) Interest rate risk management

Interest rate risk is the risk that the fair values or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company finance their operations by a mixture of internal funds, banks 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 fixed deposits and borrowings are as disclosed in Notes 23 and 26 respectively.

Interest rate sensitivity analysis

The Group and the Company do not consider their exposure to interest rate risk from bank borrowings and interest-bearing assets significant as of December 31, 2021 due to insignificant fluctuations in the market interest rates. Therefore, interest rate sensitivity analysis is not disclosed.

(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 and to the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a mean of mitigating the risk of financial loss from defaults. The exposure of the Group to credit risk arises principally from its receivables and other financial assets while the exposure of the Company to credit risk arises from its intercompany balances, financial guarantees given to licensed banks for credit facilities granted to subsidiaries and other financial assets.

Notes to The Financial Statements
(cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Credit risk management

Receivables

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 trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

As the Group does not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

A significant portion of trade receivables are regular customers of the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Trade receivables with balances exceeding credit limits are monitored through the holding back of new shipment until the old debts plus the new orders are within the credit limit.

Of the trade receivables balance as of the end of the reporting period, RM5,982,319 (2020: RM15,849,128) is due from the Group's largest customer. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to this customer did not exceed 35 (2020: 35) per cent of gross trade receivables at any time during the year. Concentration of credit risk to any other counterparties did not exceed (10) per cent of gross trade receivables at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

For other receivables, management does not foresee any credit risk due to the nature of other receivables which comprise mainly advance payments made to suppliers.

The ageing of trade receivables that are past due but not impaired is disclosed in Note 19.

Intercompany Balances

The Company provides unsecured advances to its subsidiaries. There is no fixed repayment term imposed on intercompany balances as the credit risk is managed on a Group basis by the management of the Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiaries, is minimal.

The Company measures the loss allowance for amount due from subsidiaries if there are indicators that the subsidiaries are having financial difficulties or inactive. At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

At the end of the reporting period, there was no indication that the balances due from subsidiaries are not recoverable.

Notes to The Financial Statements (cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Credit risk management (Cont'd)

Financial Guarantee

The Company provides unsecured financial guarantees to licensed banks in respect of credit facilities granted to subsidiaries. The Company monitors on an ongoing basis the trend of repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM23,077 (2020: RM3,705,417) representing the outstanding balance of credit facilities of subsidiaries in which financial guarantees are given by the Company as of the end of the reporting period.

At the end of the reporting period, there was no indication that the subsidiaries will default on repayment.

Other Financial Assets

The credit risk on liquid funds are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(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 their operations, their existing credit facilities and the trade terms provided by their 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 their working capital requirements and capital expenditures, or may seek to raise additional funds through equity financing.

The Group and the Company have credit facilities of approximately RM82,477,000 (2020: RM132,562,000) and RM30,000,000 (2020: RM30,000,000) which remain unused at the end of the reporting period.

Notes to The Financial Statements
(cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

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

The maturity profile of the Group's and of the Company's non-derivative financial assets and financial liabilities at the end of the reporting period based on cash inflows from the financial assets and contractual undiscounted repayment obligations are as follows:

The Group 2021	**On demand or within one year RM**	**One year to five years RM**	**Over five years RM**	**Total RM**
Non-derivative financial assets:				
Trade and other receivables	23,940,472	–	–	23,940,472
Refundable deposits	1,242,554	–	–	1,242,554
Fixed deposits, cash and bank balances	304,409,250	–	–	304,409,250
Total undiscounted non-derivative financial assets	329,592,276	–	–	329,592,276
Non-derivative financial liabilities:				
Trade and other payables	29,545,240	–	–	29,545,240
Other liabilities - accrued expenses	14,960,757	–	–	14,960,757
Borrowings	23,077	–	–	23,077
Lease liabilities	818,752	1,024,421	–	1,843,173
Total undiscounted non-derivative financial liabilities	45,347,826	1,024,421	–	46,372,247
Net undiscounted non-derivative financial assets/ (liabilities)	284,244,450	(1,024,421)	–	283,220,029

Notes to The Financial Statements (cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

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

The Group 2020	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
Non-derivative financial assets:				
Trade and other receivables	56,196,114	–	–	56,196,114
Refundable deposits	1,691,036	–	–	1,691,036
Fixed deposits, cash and bank balances	165,954,689	–	–	165,954,689
Total undiscounted non-derivative financial assets	223,841,839	–	–	223,841,839
Non-derivative financial liabilities:				
Trade and other payables	55,679,974	–	–	55,679,974
Other liabilities	18,213,942	–	–	18,213,942
Borrowings	568,926	2,048,291	1,978,562	4,595,779
Lease liabilities	858,077	1,931,701	–	2,789,778
Total undiscounted non-derivative financial liabilities	75,320,919	3,979,992	1,978,562	81,279,473
Net undiscounted non-derivative financial assets/ (liabilities)	148,520,920	(3,979,992)	(1,978,562)	142,562,366

Notes to The Financial Statements
(cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

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

The Company 2021	**On demand or within one year RM**	**One year to five years RM**	**Over five years RM**	**Total RM**
Non-derivative financial assets:				
Amount owing by subsidiaries	239,336,997	–	–	239,336,997
Refundable deposits	1,000	–	–	1,000
Fixed deposits, cash and bank balances	5,862,458	–	–	5,862,458
Total undiscounted non-derivative financial assets	245,200,455	–	–	245,200,455
Non-derivative financial liabilities:				
Amount owing to a subsidiary	20,786,033	–	–	20,786,033
Accrued expenses	341,289	–	–	341,289
Financial guarantee contracts	23,077	–	–	23,077
Total undiscounted non-derivative financial liabilities	21,150,399	–	–	21,150,399
Net undiscounted non-derivative financial assets	224,050,056	–	–	224,050,056

Notes to The Financial Statements (cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

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

The Company 2020	**On demand or within one year RM**	**One year to five years RM**	**Over five years RM**	**Total RM**
Non-derivative financial assets:				
Trade and other receivables	290,409	–	–	290,409
Amount owing by subsidiaries	55,233,997	–	–	55,233,997
Refundable deposits	1,000	–	–	1,000
Fixed deposits, cash and bank balances	132,090,120	–	–	132,090,120
Total undiscounted non-derivative financial assets	187,615,526	–	–	187,615,526
Non-derivative financial liabilities:				
Amount owing to a subsidiary	8,006,233	–	–	8,006,233
Accrued expenses	385,249	–	–	385,249
Financial guarantee contracts	3,705,417	–	–	3,705,417
Total undiscounted non-derivative financial liabilities	12,096,899	–	–	12,096,899
Net undiscounted non-derivative financial assets	175,518,627	–	–	175,518,627

The amounts included above for financial guarantee contracts are the maximum amounts that the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterpart to the guarantee. Based on expectations as of the end of the reporting period, the Company considers it remote to make such payment under the arrangement.

The following table details the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

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

Gross settled: Foreign currency forward contracts	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
2021				
- Gross inflows	5,190,225	–	–	5,190,225
- Gross outflows	4,539,777	–	–	4,539,777
2020				
- Gross inflows	23,537,792	–	–	23,537,792
- Gross outflows	378,632	–	–	378,632

(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 remain unchanged from 2020.

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

Gearing ratio

The gearing ratio as of the end of the reporting period is as follows:

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Debt (i)	23,077	3,937,676	–	–
Fixed deposits, cash and bank balances	(298,386,450)	(165,276,171)	(5,862,458)	(131,835,953)
Net (cash)	(298,363,373)	(161,338,495)	(5,862,458)	(131,835,953)
Equity (ii)	601,137,814	377,668,464	248,143,630	203,208,944
Net debt to equity ratio	Not applicable	Not applicable	Not applicable	Not applicable

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

Notes to The Financial Statements (cont'd)

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(d) Capital risk management (Cont'd)

Fair values of financial instruments

Foreign currency forward contracts

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

	Outstanding contracts				
	Sell USD	**Sell EURO**	**Buy USD**	**Buy Euro**	**Net**
2021					
Foreign currency	651,000	515,552	597,020	423,246	–
Notional value (RM)	2,743,436	2,446,789	2,519,249	2,020,528	–
Fair value (RM)	26,584	12,062	28,021	22,363	89,030
2020					
Foreign currency	2,435,390	2,761,478	94,290	–	–
Notional value (RM)	9,873,881	13,663,911	378,632	–	–
Fair value (RM)	78,664	31,811	131	–	110,606

The fair values of foreign currency forward contracts, which are categorised as Level 2 in the fair value hierarchy, are calculated by reference to the current rates for contracts with similar maturity profiles.

Financial instruments carried at amortised cost

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

The fair values of term loans and lease liabilities, which are categorised as Level 2 in the fair value hierarchy, are estimated using discounted cash flow analysis based on the current borrowing rates for similar types of term loans and lease arrangements. There is no material difference between the carrying amounts and the estimated fair values of term loans and lease liabilities

There were no transfers between Levels 1 and 2 in both 2021 and 2020.

Notes to The Financial Statements
(cont'd)

31. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

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

	The Group 2021 RM	2020 RM
Cash purchase	35,217,125	61,633,776
Balance outstanding - Other payables	2,890,702	5,904,300
	38,107,827	67,538,076

(ii) Prepaid lease interest was acquired by the following means:

	The Group 2021 RM	2020 RM
Cash	10,761,115	–
Deposit paid in prior year	1,139,013	–
	11,900,128	–

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

The Group

	Note	Balance as of 1.1.2021 RM	Financing cash flows RM	Non-cash changes RM	Balance as of 31.12.2021 RM
Bank overdrafts	26	232,259	(232,259)	–	–
Term loans	26	3,500,000	(3,500,000)	–	–
Lease liabilities	27	2,787,373	(850,883)	(94,544)	1,841,946

Notes to The Financial Statements (cont'd)

31. STATEMENTS OF CASH FLOWS (CONT'D)

(b) Reconciliation of liabilities arising from financing activities (Cont'd)

The Group

	Note	Balance as of 1.1.2020 RM	Financing cash flows RM	Non-cash changes RM	Balance as of 31.12.2020 RM
Trust receipts	26	184,000	(184,000)	–	–
Bills payable	26	6,151,000	(6,151,000)	–	–
Revolving credits	26	2,500,000	(2,500,000)	–	–
Bank overdrafts	26	1,020,710	(788,451)	–	232,259
Term loans	26	1,300,000	2,200,000	–	3,500,000
Bankers' acceptances	26	394,000	(394,000)	–	–
Lease liabilities	27	906,911	(726,605)	2,607,067	2,787,373

The Company

	Note	Balance as of 1.1.2021 RM	Financing cash flows RM	Non-cash changes RM	Balance as of 31.12.2021 RM
Amount due to a subsidiary	20	8,006,233	12,779,800	–	20,786,033

The Company

	Note	Balance as of 1.1.2020 RM	Financing cash flows RM	Non-cash changes RM	Balance as of 31.12.2020 RM
Amount due to a subsidiary	20	–	8,006,233	–	8,006,233

Notes to The Financial Statements
(cont'd)

31. STATEMENTS OF CASH FLOWS (CONT'D)

(c) Cash and cash equivalents

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

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed deposits with licensed banks	286,800,000	142,700,000	–	122,000,000
Cash and bank balances	11,586,450	22,576,171	5,862,458	9,835,953
Bank overdrafts	(23,077)	(205,417)	–	–
Fixed deposits with maturity above 3 months	–	(60,000,000)	–	(60,000,000)
	298,363,373	105,070,754	5,862,458	71,835,953

32. FOREIGN EXCHANGE TRANSLATION RESERVE

	The Group	
	2021 RM	2020 RM
Balance as of January 1	8,318,427	6,524,128
Exchange differences on translating the net assets of foreign operations	(1,793,904)	1,794,299
Cumulative exchange gain reclassified from equity to profit or loss on disposal of foreign operations (Note 17)	(5,949,581)	–
Balance as of December 31	574,942	8,318,427

33. CAPITAL COMMITMENTS

As of the end of the reporting period, the Group has capital commitments in respect of the followings:

	2021 RM	2020 RM
Approved and contracted for:		
Property, plant and equipment	1,094,884	24,932,401
Investment (Note 34)	180,000,000	–

Notes to The Financial Statements (cont'd)

34. SIGNIFICANT EVENTS

During the financial year, the Company undertook a joint collaboration with three (3) companies for the development and operation of a shopping mall known as the Empire City Mall through a company, namely Alliance Empire Sdn. Bhd. ("AESB") for the purpose to diversify the Group's business activities into property investment ("Collaboration"). In conjunction with the Collaboration, the Company entered into the following agreements:

(i) A Subscription Agreement with AESB on October 4, 2021 for the subscription of 200,000 new ordinary shares in AESB, representing 20% of the enlarged equity interest in AESB for a subscription price of RM180,000,000 to be fully satisfied by cash. Based on the tentative timeline, the subscription of shares in AESB will be implemented by second quarter of financial year 2022. The commitment for the subscription of shares has been disclosed under Note 33; and

(ii) A Shareholders Agreement with the three (3) companies on October 4, 2021 to regulate their relationship as shareholders of AESB.

The completion of the above agreements is subjected to fulfilment of conditions precedent included in both the Subscription and Shareholders Agreements.

Following to the above, a new subsidiary, Rubberex Empire Sdn. Bhd. was incorporated as disclosed in Note 17 to house the investment in AESB.

On April 8, 2022, the Subscription Agreement has been completed.

35. SUBSEQUENT EVENTS

Subsequent to the end of the reporting period,

(i) On March 3, 2022, the Company subscribed for an additional 999 ordinary shares in Rubberex Empire Sdn. Bhd. ("RESB") for a total consideration of RM999. The Company's equity interest in RESB remained the same at 100% after the share subscription.

(ii) On March 8, 2022, the Company's wholly-owned subsidiary companies, Diamond Grip (M) Sdn. Bhd. ("DGSB") and Rubberex (M) Sdn. Berhad ("RMSB") entered into the following agreements:

   (a) Sale of Assets Agreement whereby certain property, plant and equipment of DGSB are sold to RMSB on an "as is where is" basis for a total consideration of RM2,427,165; and

   (b) Tenancy Agreements whereby DGSB grants tenancy to RMSB for its demised premises held under title no. PN345766, Lot 383268 and title no. PN144859, Lot 218274 Mukim Hulu Kinta, Daerah Kinta, Negeri Perak, at a monthly rental of RM26,280 and RM32,878 respectively for one year commencing April 1, 2022 to March 31, 2023.

(iii) On April 13, 2022, the Company incorporated a new subsidiary, Rubberex International Sdn. Bhd. for a total consideration of RM2.

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 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, 2021 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

MR. KHOO CHIN LENG

MR. LIEW JEE MIN @ CHONG JEE MIN

Ipoh, 25 April 2022

DECLARATION BY THE DIRECTOR

Primarily Responsible for the Financial Management of The Company

I, **MR. KHOO CHIN LENG (IC No. 590509-07-5615)**, the director 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
MIA MEMBERSHIP: 22348

Subscribed and solemnly declared by the abovenamed
MR. KHOO CHIN LENG at **IPOH** this 25th day of April 2022.

Before me,

LAM YING WOH (A209)
COMMISSIONER FOR OATHS

PROPERTIES HELD BY THE COMPANY AND ITS SUBSIDIARIES

as at 31 December 2021

Location	Tenure/Expiry Date	Description of existing use	Land area (sq. m)	Date of Acquisition/ [Revaluation]	Age (years)/ Carrying amount (RM'000)
Lot 228174, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Freehold/-	Manufacturing, warehouse and office	37,258	[1996]	27.5/3,545
Lot 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	23.0/898
Lot 383268, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Leasehold (99 years)/ 23 December 2106	Manufacturing, warehouse and office	12,141	2007	14.0/192
Lot 312174, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Leasehold (86 years)/ 02 December 2101	Warehouse and office	8,496	2016	6.0/1,804
Lot 351408, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Leasehold (86 years)/ 07 July 2103	Warehouse and office	8,092	2018	4.0/1,848
Factory buildings located at Lot 228174, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	Manufacturing, warehouse and office	–	[1996]	27.5/3,866

Properties held by the Company and its subsidiaries
as at 31 December 2021

(cont'd)

Location	Tenure/Expiry Date	Description of existing use	Land area (sq. m)	Date of Acquisition/ [Revaluation]	Age (years)/ Carrying amount (RM'000)
Factory buildings located at Lot 218274, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	Manufacturing, warehouse and office	–	1999	23.0/13,714
Factory buildings located at Lot 383268, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	Manufacturing, warehouse and office	–	2007	14.0/823
Factory buildings located at Lot 312174, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	Manufacturing, warehouse and office	–	2016	6.0/1,232
Factory buildings located at Lot 351408, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	Manufacturing, warehouse and office	–	2018	4.0/30,476

RUBBEREX CORPORATION (M) BERHAD
199601000297 (372642-U)
(Incorporated in Malaysia)

No. of shares held	CDS Account No.
	- -

Form of Proxy

*I/We ____ Tel: ____________________
(FULL NAME IN BLOCK LETTERS)

(NRIC No./ Company Registration No./ Passport No.) ____

of ____
(FULL ADDRESS)

being a member/members of **RUBBEREX CORPORATION (M) BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented

*and / or

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Twenty-Sixth Annual General Meeting of the Company, which will be conducted fully virtual through online meeting platform via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on **Friday, 27 May 2022 at 10.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

Resolution	Agenda	For	Against
	Ordinary Business		
1	Payment of additional Directors' Benefits from 29 May 2021 until 27 May 2022		
2	Payment of Directors' Fees for the financial year ending 31 December 2022		
3	Payment of Directors' Benefits from 28 May 2022 until the Twenty-Seventh Annual General Meeting of the Company to be held in 2023		
4	Re-election of Mr. Khoo Chin Leng who retires pursuant to Clause 76(3) of the Company's Constitution as Director		
5	Re-election of Dato' Ong Choo Meng who retires pursuant to Clause 76(3) of the Company's Constitution as Director		
6	Re-election of Mr. Liew Jee Min @ Chong Jee Min who retires pursuant to Clause 78 of the Company's Constitution as Director		
7	Re-election of Mr. Goh Hsu-Ming who retires pursuant to Clause 78 of the Company's Constitution as Director		
8	Re-appointment of Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
	Special Business		
9	Approval for Dato' Mohamed Bin Hamzah to continue to act as Independent Non-Executive Director		
10	Authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
11	Proposed Renewal of Authority for Share Buy-Back		

(Please indicate with a cross "X" in the space provided whether you wish your vote to be cast for or against the Resolutions. If in the absence of specific directions, your proxy will vote or abstain from voting as he/she thinks fit).

Signed this __________ day of __________ 2022.

____
Signature/Common Seal of Member^

^ *Manner of execution:*
- *(a) If you are an individual member, please sign where indicated.*
- *(b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the constitution of your corporation.*
- *(c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your company (if any) and executed by:*
  - *(i) at least two (2) authorised officers, of whom one shall be a director; or*
  - *(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.*

Notes:

1. ***IMPORTANT NOTICE***
*Shareholders **WILL NOT BE ALLOWED** to attend the 26th AGM in person on the day of the meeting as the 26th AGM will be conducted on a fully virtual basis. According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.*
Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 26th AGM using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at https://tiih.online.
Please read these Notes carefully and follow the procedures in the Administrative Guide for 26th AGM in order to participate remotely via RPV.
2. *For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 19 May 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.*
3. *A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.*
4. *A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to attend and vote instead of the member at the general meeting.*
5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
8. *A member who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Guide for 26th AGM.*
9. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*
   (i) *In hard copy form*
   In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
   (ii) *By electronics means*
   The Form of Proxy can be electronically lodged with the Company's Share Registrar via TIIH Online at https://tiih.online. Kindly refer to the Administrative Guide for the 26th AGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online.
10. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
11. *Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*
12. *Last date and time for lodging the Form of Proxy is **Wednesday, 25 May 2022 at 10.00 a.m.***
13. *For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL/DULY CERTIFIED** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:*
   i. *If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.*
   ii. *If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:*
      a. *at least two (2) authorised officers, of whom one shall be a director; or*
      b. *any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*
14. *Shareholders are advised to check the Company's website at www.rubberex-corp.com.my and announcements from time to time for any changes to the administration of the 26th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.*

Please fold along this line (1)

AFFIX
STAMP

The Share Registrar of
RUBBEREX CORPORATION (M) BERHAD
Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Please fold along this line (2)

Rubberex Corporation (M) Berhad
199601000297 (372642-U)

Lot 138201, Off 3/4 Mile, Jalan Bercham
Kawasan Perindustrian Bercham
31400 Ipoh, Perak Darul Ridzuan
Malaysia.

www.rubberex.com.my