www.latexx.com.my

LATEXX PARTNERS BERHAD (86100-V)

Latexx Partners Berhad
Lot 18374, Jalan Perusahaan 3,
Kamunting Industrial Estate,
34600 Kamunting, Perak Darul Ridzuan, Malaysia.
T 605 829 5555 F 605 891 1688

LATEXX PARTNERS BERHAD
(86100-V)

2011 annual report

Our Vision

To be a glove manufacturer of preferred choice by being reliable, dynamic, humane and practicing the highest standards of work and business ethics.

Our Mission

LATEXX will continuously strive to produce the highest quality gloves to meet the expectations of our valued customers, to adopt/adapt the appropriate up-to-date techniques, technology and to train and motivate our employees for the enhancement of efficiency and productivity, to be a caring organization through our commitment to the well-being of the environment and community.

Contents

Corporate Information

BOARD OF DIRECTORS

Low Bok Tek
(Executive Chairman & Chief Executive Officer)

Peter Wong Hoy Kim
(Senior Independent & Non-Executive Director)

Ibrahim bin Hamzah
(Independent & Non-Executive Director)

Malik Parvez Ahmad bin Nazir Ahmad
(Independent & Non-Executive Director)

AUDIT COMMITTEE

Peter Wong Hoy Kim *(Chairman)*
Ibrahim bin Hamzah
Malik Parvez Ahmad
bin Nazir Ahmad

REMUNERATION COMMITTEE

Peter Wong Hoy Kim *(Chairman)*
Ibrahim bin Hamzah
Malik Parvez Ahmad
bin Nazir Ahmad

NOMINATION COMMITTEE

Peter Wong Hoy Kim *(Chairman)*
Ibrahim bin Hamzah

COMPANY SECRETARIES

Jesslyn Ong Bee Fang
(MAICSA 7020672)
Eric Toh Chee Seong
(LS 0005656)

WEBSITE AND E-MAIL ADDRESS

Homepage : www.latexx.com.my
E-mail Address : office@latexx.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
RHB Islamic Bank Berhad
Alliance Bank Malaysia Berhad
AmBank (M) Berhad
CIMB Bank Berhad
Bank Islam Malaysia Berhad

REGISTERED OFFICE

Lot 18374, Jalan Perusahaan 3
Kamunting Industrial Estate
34600 Kamunting
Perak Darul Ridzuan, Malaysia
tel 605-829 5555
fax 605-891 1688

REGISTRARS

Insurban Corporate Services Sdn Bhd
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur, Malaysia
tel 603-7729 5529
fax 603-7728 5948

HEAD OFFICE / FACTORY

Lot 18374, Jalan Perusahaan 3
Kamunting Industrial Estate
34600 Kamunting
Perak Darul Ridzuan, Malaysia
tel 605-829 5555
fax 605-891 1688

AUDITORS

STYL Associates (AF 001929)
Chartered Accountants
107B, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur, Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Sector : Industrial Products
Stock Name : LATEXX
Stock Code : 7064

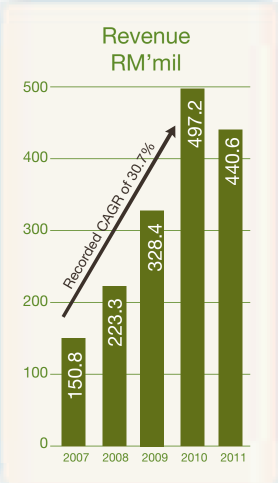
..by working in long-term partnerships with our customers.

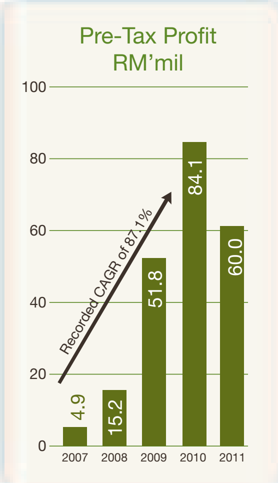
Corporate Structure

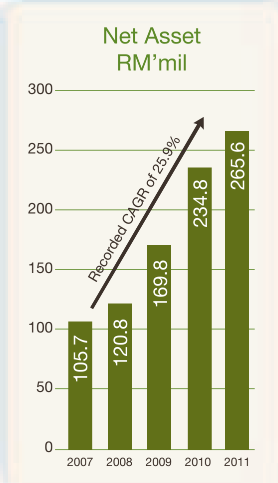
LATEXX PARTNERS BERHAD (86100-V)

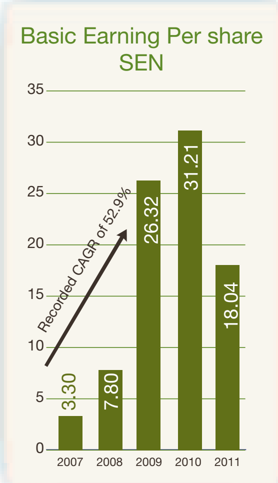
- 100% **LATEXX MANUFACTURING SDN BHD** (165989-U)
- 100% **MEDTEXX MANUFACTURING SDN BHD** (50880-A)
- 100% **LATEXX MANPOWER SERVICES SDN BHD** (963130-T)
- 100% **WORLDMED MANUFACTURING SDN BHD** (891032-D)
- 51% **TOTAL GLOVE COMPANY SDN BHD** (472513-W)

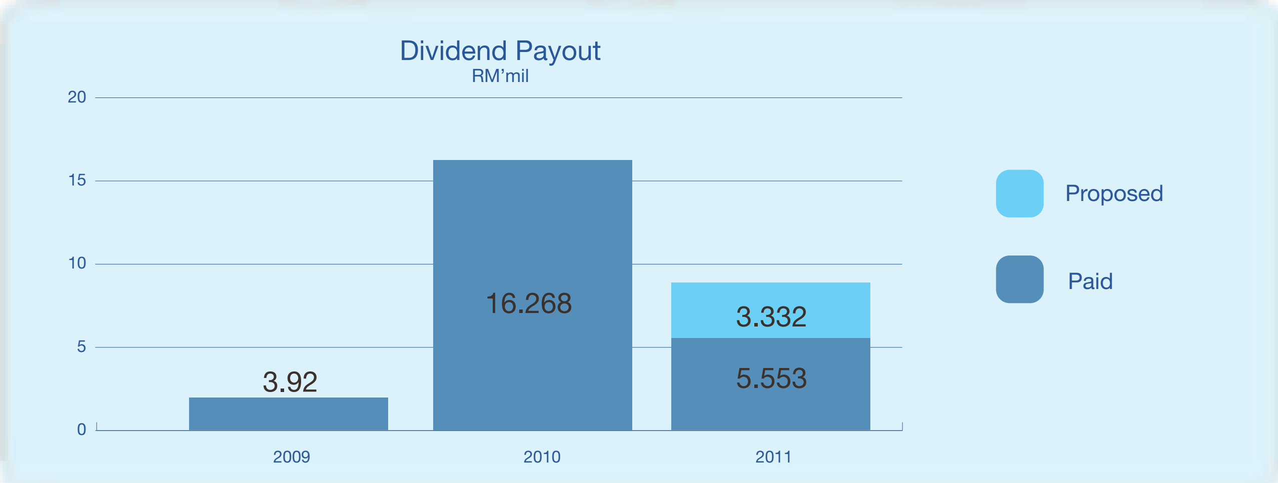
Financial Highlights











	Revenue RM'mil	Pre-Tax Profit RM'mil	Net Asset RM'mil	Basic Earning Per share SEN	Dividend Payout RM'mil
2007	150.8	4.9	105.7	3.30	nil
2008	223.3	15.2	120.8	7.80	nil
2009	328.4	51.8	169.8	26.32	3.920
2010	497.2	84.1	234.8	31.21	16.268
2011	440.6	60.0	265.6	18.04	5.553
CAGR	30.7%	87.1%	25.9%	52.9%	N/A

*Notes : Proposed final tax exempt dividend 3.332 million subject to shareholders' approval during the forthcoming AGM.

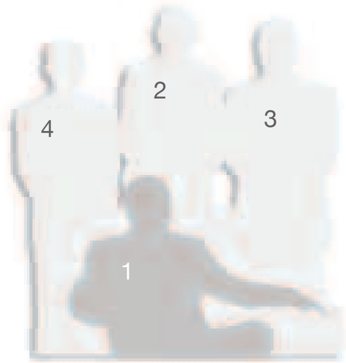
Board of Directors

1 LOW BOK TEK
Executive Chairman & Chief Executive Officer

2 MALIK PARVEZ AHMAD BIN NAZIR AHMAD
Independent & Non-Executive Director

3 IBRAHIM BIN HAMZAH
Independent & Non-Executive Director

4 PETER WONG HOY KIM
Senior Independent & Non-Executive Director



Profile of Directors

LOW BOK TEK

Executive Chairman & Chief Executive Officer

Low Bok Tek, aged 54, a Malaysian, is the Executive Chairman & Chief Executive Officer of Latexx Partners Berhad, one of the top manufacturers of rubber glove in Malaysia. He was one of the founders of the Group in 1987, he had greatly contributed to the successful listing of Latexx Partners Berhad in 1996. Mr. Low has relinquished the rein of the Group in 2001, and was reappointed back to the Board of the Company on 16 August 2004.

Since 2004, with his exceptional entrepreneurial traits, undivided focus, and distinctive vision, he has led the Group to become a world class rubber gloves manufacturer today. His characteristics of seeking opportunities, taking risks beyond security, and having the tenacity to push an idea through to reality combine into a special perspective that brings the Group into a new height in the glove industry. The Group's continuous growth is his main agenda currently.

Mr. Low's expertise and vast experience is not only limited to the rubber glove industry, he has tactical knowledge and experience in the transport industry, hotel and property development.

He also sits on the board of several private limited companies. He does not have any family relationship with any other Director and/or substantial shareholder of the Company.

MALIK PARVEZ AHMAD BIN NAZIR AHMAD

Independent & Non-Executive Director

Malik Parvez Ahmad bin Nazir Ahmad, aged 43, a Malaysian, was appointed as the Non-Independent Non-Executive Director of the Company on 24 June 2008 and was re-designated as Independent Non-Executive Director on 25 April 2011. He is a member of the Audit Committee and Remuneration Committee. He is an accountant by profession and has over 10 years experience in the profession. He graduated from the International Islamic University in 1992 with a Bachelor of Accounting Degree. He is also a Chartered Accountant with the Malaysian Institute of Accountants. He worked in KPMG Peat Marwick from 1993 to 1997 and held the position of Senior Auditor when he left and joined Medtexx Partners Incorporated in the United States of America as an Accountant in 1998. From 2002 to 2004, he was the Financial Controller of D.B.E. Gurney Resources Berhad, another public listed company. He then became the Financial Controller of Latexx Partners Berhad before his appointment in 2008 as Non-Independent Non-Executive Director of the Company. Currently, he also sits on the Board of Gunung Capital Berhad. He does not have any family relationship with any director and/or substantial shareholder of the Company.

Profile of Directors (cont'd)

IBRAHIM BIN HAMZAH

Independent & Non-Executive Director

Ibrahim bin Hamzah, aged 63, a Malaysian, was appointed to the Board of the Company on 15 December 1993. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He obtained a Bachelor's Degree in Economics from University of Malaya in 1971 and a Master's Degree in Economics from University Kebangsaan Malaysia in 1980. His other qualifications include a Diploma in Management Science (INTAN) and a Diploma in Industrial Management (Delft). He was active in government service from 1971 to 1993 as an officer in the administrative and diplomatic service. He does not hold any directorship in other public companies. He does not have any family relationship with any other Director and/or substantial shareholder of the Company.

PETER WONG HOY KIM

Senior Independent & Non-Executive Director

Peter Wong Hoy Kim, aged 71, a Malaysian, was appointed to the Board of the Company on 16 August 2004. He is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He is an ex-Banker who was previously with HSBC Bank Malaysia Berhad for 33 years until his retirement in 1996 from the Bank's Ipoh Branch where he was the Manager. He underwent numerous training overseas in Hong Kong, U.S.A. and United Kingdom and has served in various other capacities in the Bank including, amongst others, Deputy Manager Credit Control and Manager Regional Credit, Peninsula North. His directorship in other public companies is in Gunung Capital Berhad and he sits on the board of several private limited companies. He does not have any family relationship with any other Director and/or substantial shareholder of the Company.

None of the Directors has any conflicts of interests with the Company nor has any convictions for offences within the past ten years other than traffic offences.

Corporate Statement

We have great pleasure to present to all the stakeholders the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2011

Business Review

The environment of the Malaysia rubber glove industry was generally challenging in 2011. The adverse operating environment with great concerns on the volatility of raw material prices and the continuous weakening of the US currency against RM has greatly impacted the market dynamics of the industry. Over the course of 2011, monthly average natural rubber latex price has increased by approximately 20%, nitrile price increased by 36.2%, and the US dollar has weakened against RM by approximately 4.6%. These have significantly led to erosion of margins among the players of the rubber glove industry.

Utilization was generally lower in 2011, averaging to 70%. The main reason was the normalizing of glove demand since end of 2010 with the primary impact of the previous health scare and sudden outburst of epidemic fully faded off. Furthermore, high volatility and dynamics of the commodities prices and exchange rate of USD against RM have prompted worldwide glove distributors to lower down their inventory level and their buying behavior has been relatively more cautious than previously was. The other contributing factor was the congestion in the supply of glove due to the streamed in of the newly added capacities of glove manufacturers from the expansions projects that were mostly initiated in 2009/2010, spurred by the sudden heightened demand for glove due to the H1N1 virus outbreak in 2009.

However, the over supply condition is just a temporary phenomenon; the market is undertaking the normal course in digesting these newly added capacities. With the annual growth of 8-10% in global demand for glove, the industry at large is expecting these capacities to be fully absorbed by 2013. Thus, we fully anticipate an uptake in the demand gradually from the second half of 2012 until 2013. In fact, it is foreseeable that the rapid growing awareness of daily personal hygiene and higher occupational safety standard in the non-medical sectors will further expand the demand for gloves globally in the coming years.

Against this background, the Group remains optimistic on the outlook of the rubber glove industry. The business opportunity for rubber glove manufacturers remains bright in the near future, as well as in the longer term, spurred by the growing demand and the relative resilient nature of the industry to the macro economic conditions. At the current highly competitive global environment, Malaysia remains to be the world's largest producer of glove. As an important sector that contributes to the country's GDP, the Malaysia government is expected to further strengthen and support the rubber glove sector to achieve the target set for the sector of a total export sales value of RM30 billion by 2020 under the ETP.

Corporate Statement (cont'd)

Financial Review

Circumvent by the adverse operating environment mainly compounded by the high raw material prices and unfavorable exchange rate, in the financial period of 2011, the Group's revenue was RM 440.6 million compared to the recorded RM 497.3 million in 2010. Profit before tax contracted by RM 24.1 million to RM 60.0 million compared to the previous financial period. The drop in revenue was mainly due to the normalizing demand of rubber glove in 2011 from the super peak period of 2009 and 2010. The decline in the overall profitability was resulted from higher production costs, the supply situation in the industry, weaker US dollar, and the relative competitive pricing among the industry peers that has impacted on the effectiveness of passing the rise in costs to customers.

The balance sheet position of the Group remained strong and healthy as at 31 December 2011. Total shareholders' equity is RM 265.6 million compared to RM 234.8 million of the previous financial year. Net cash and bank balances were RM 55.7 million, and total bank borrowings was RM 101.4 million. The basic and diluted earnings per ordinary share were 18.04 sen and 15.16 sen respectively.

Dividends

The Group has declared an interim dividend of 2.5 sen per share for the financial year ended 31 December 2011, and was paid out on 5 January 2012.

The Group has further proposed a final tax exempt dividend of 1.5 sen per share, and the proposal is subject to the shareholders' approval at the forthcoming Annual General Meeting.

Company Review

Operation

The installation of 28 new high performance lines in the newly constructed production plant, Plant 1, adjacent to our existing plants was completed in March 2011. The newly expanded facilities have increased the Group's total capacity to 9 billion pieces per annum from the previously 6 billion pieces per annum.

Over the course of 2011, to cater for the requirement for increase material storage area that is in line with the Group's capacity expansion, the Group has converted a newly acquired open sided factory building to a new Centralized Main Store for materials. The setting up of this centralized raw material store has enabled management to streamline and systemized the administrative and operating procedures of raw material handling.

In 2011, the Group has acquired a near-by plot and has commenced the construction of the 2 blocks of 3-storey high buildings as worker hostel. The hostel is equipped with an adjacent canteen and dining hall. This project is to facilitate the Group's aim to provide better welfare and security for its workers.

The execution of the current joint venture (JV) project, Total Glove Company Sdn. Bhd., with Budev B.V. on undetectable protein level NR glove was in accordance to the plan and schedule. Commercialization has kicked off at the end of 2011 with the first unit of machine. Market penetration of this innovative product range is expected to take longer time and stronger effort at the current market situation where the NR latex prices are still running high. However, the Group has great confidence on the market potential of this premium product range.

The Group continued to adopt effective cost saving measures to mitigate the impact of the rising raw material costs.

Corporate Statement (cont'd)

Product

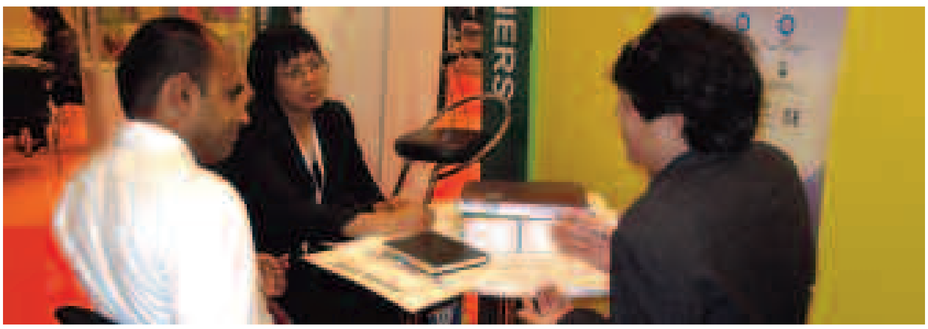
The Group has remained to be strategic in the product mix. The Group has managed to maintain high level of flexibility as majority of the facilities and lines were interchangeable between the production of NR and nitrile gloves, with minimum conversion time. This flexibility has enabled the Group to be more resilient to the market environment and sustaining its competitiveness. The product mix of the Group in 2011 was 64% nitrile products, 28% NR powder free products and 8% NR powdered products.

Market Development

In 2011, the Group has continued to take up strategic initiatives to penetrate into other markets besides the advanced markets that are potentially large and promising. The Group's efforts have been proven to be on the right track, collectively these markets contributed to 60% of the Group's revenue in 2011 compared to 30% in 2010. However, the US market has remained to be the largest single market for the Group, taken up approximately 40% of the total sales in 2011.

Commencing in 2010, the Group has started aggressively penetrating into the non-medical markets, particularly the food-handling, beauty and daily personal hygiene as well as the industrial sectors to tap on the potential demand growth in these sectors that is driven by the heightening of hygiene and work safety awareness. In 2011, from a near to non-contributed stage, the contribution of these non-medical sectors has collectively taken up 10% of the sales revenue.

The Group strongly believes the above strategic moves will successfully help the Group to enlarge its regional customer base and achieve significant volume growth in the coming years. In line with the business development strategies, the Group will continue to flexibly allocate its capacity based on current market requirements in the coming years.



Corporate Statement (cont'd)

Outlook

2011 was a year that proved our ability to weather the challenges of an adverse operating environment and emerge an even more resilient company. The Group has achieved its targeted operational and profit goals in 2011 by delivering exceptional value on all fronts and are now well on our way to achieving leadership status in terms of consistent value creation, responsible corporate entity and astute operational excellence.

The Board is confident that the growth in FY 2011 will be sustained in FY 2012 in tandem with the growth of world demand for both medical and non-medical gloves in the healthcare and industry sectors.

Corporate Governance

The Board is committed to observe the Malaysian Code of Corporate Governance (Revised 2007) and Listing Requirements of Bursa Securities and has ensured that a high standard of corporate governance is practiced throughout the Group to protect the assets of the Group and operations and shareholders' value. Our statement on corporate governance can be found on pages 13 to 18.

Corporate Social Responsibility

The Group is committed to Corporate Social Responsibility ("CSR") by integrating it into the business operations. The Group's business responsibility of improving profitability goes hand in hand with maintaining good manufacturing practices that will safeguard our people and the environment.

In 2011, the Group continued to make contributions to the employees, the local and national communities, especially welfare of needy groups, sporting, educational and charitable organizations.

Corporate Statement (cont'd)

Awards & Recognitions

2011 is another banner year for the Group, of which the Group's excellence performance and continuing efforts in creating shareholders' value were proven and acknowledged.

The Group has been voted as the Best Small Cap in Malaysia by Financial Asia's 11th Annual Poll on Asia's Best Managed Companies: India & Malaysia.

For two consecutive years, 2010 and 2011, the Group was the recipient of the Forbes Asia "Best under a Billion" Award. In 2011, the Group was among 14 of the Malaysian companies in the award list.

Word of appreciation

On behalf of the Group, we would like to express our sincere thanks and appreciation to the management and all employees of the Group for their unwavering contribution, dedication, commitment and loyalty to the Group during 2011. The year of 2012 will continue to be challenging and we look forward to working with all of you as we collectively face whatever opportunity and difficulty that may present itself.

We would also like to extend our sincere and heartfelt appreciation to the stakeholder community, inclusive of our shareholders, bankers, valued customers, suppliers, business associates and the regulatory authorities who have supported and believed in us over these years. We look forward to your continuing support and trust for the year ahead.

Last, but not least, we thank the members of the Board for their counsel and support throughout the year.

LOW BOK TEK
Executive Chairman & Chief Executive Officer

15 May 2012

Corporate Governance Statement

The Board of Directors supports high standards of corporate governance and assumes responsibility in ensuring that the Best Practices in Corporate Governance as developed in Part 1 and Part 2 of the Malaysian Code on Corporate Governance ("the Code") is being fully applied. The Group believes that good governance will help to realize long-term shareholders' value, whilst taking into account the interest of other stakeholders.

The Board is pleased to disclose below the Group's applications of the principles and corporate governance practices as set out in the Code throughout the financial year.

BOARD OF DIRECTORS

Board Composition and Balance

The Board currently comprise of four (4) members, three (3) of whom are Independent Non-Executive Directors and one (1) Executive Chairman. The Board complies with paragraph 15.02 of the Main Market Listing Requirements, which requires that at least two or one-third of the Board members, whichever is higher, to be Independent Directors. A brief profile of each Director is presented under the Directors' Profile section of this Annual Report.

The Board recognizes that there should be a clear division of responsibilities in respect of the running of the Board and day to day management of the Group as this will ensure a balance of power and authority. Mr Low Bok Tek has been holding the positions of Executive Chairman and Chief Executive Officer since 2004. He continues to act in the combined role during the financial year. He is the most appropriate to head the operations of the Group due to his extensive knowledge and experience in the Group's business. Together with an experienced management team, they are responsible for the operational and business units, organizational effectiveness and the implementation of corporate policies, strategies, decisions and internal controls.

The Board's composition represents a mix of knowledge, skills and expertise relevant to the Company's operations to provide strong and effective leadership and control of the Group. The presence of Independent Non-Executive Directors is essential for corporate accountability and in providing the Group with a wider general experience of strategy formulation, unbiased and independent opinions, advices, judgements and objective view of the performance of the Group to ensure that adequate systems are used to safeguard the interests not only to the Group, but also to its minority shareholders and stakeholders. They have ensured the practice of a balanced Board's decision making process. In accordance with the requirements of the Code, the Board has identified a senior independent non-executive director to whom concerns or issues affecting the Group may be conveyed where it could be inappropriate for these to be dealt by the Chairman or Management.

Board Responsibility

The Board of Directors is responsible for planning the strategic direction of the Group, the allocation of resources, the continuous review of the Group's business operations and performance, the monitoring, implementation and review of appropriate processes and internal controls to manage business risk, and generally, for ensuring that the Company is being managed and its business conducted in accordance with high standards of accountability and transparency.

Board Meetings

Board meetings are held at least five (5) times per year with additional meetings convened when urgent decisions need to be taken between the scheduled meetings. During the financial year ended 31 December 2011, nine (9) meetings were held, where it discussed a variety of matters including the Group's financial results, corporate proposals, strategic decisions, business plan and directions of the Group, operational issues and compliance matters.

Corporate Governance Statement (cont'd)

BOARD OF DIRECTORS (CONT'D)

Board Meetings (cont'd)

All Directors fulfilled the requirements of the Articles of Association with respect to the Board meeting attendance. The summary of attendance of each director at the board meetings held during the financial year is as follows:-

Directors	No. of Meetings Attended	Percentage of Attendance
Low Bok Tek	9/9	100
Peter Wong Hoy Kim	9/9	100
Ibrahim bin Hamzah	7/9	78
Malik Parvez Ahmad bin Nazir Ahmad	8/9	89

Supply of Information

All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Chairman ensures that all Directors have full and timely access to information, with Board Papers distributed in advance of meetings. The notice for each of the meetings is accompanied by the minutes of preceding Board meetings, together with relevant information and documents for matters on the agenda to enable them to consider and deliberate knowledgeably on issues and facilitate informed decision making.

The Directors meet, review and approve all corporate announcements, including announcement of the quarterly financial reports and annual audited accounts, prior to releasing them to the Bursa Malaysia Securities Berhad. The Board is also notified of the impending restriction in dealing with the securities of the Company at least one month prior to release of the quarterly financial results announcement.

The Company Secretary ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company.

The Directors have full and unrestricted access to the advice and services of the Company Secretary and the external auditors at all times in the discharge of their duties and responsibilities. Where necessary, the Directors, whether collectively as a Board or in their individual capacity are empowered to seek independent professional advice and services in furtherance of their duties.

Board Committees

In discharging its fiduciary duties, the Board has delegated specific tasks to three (3) Board Committees namely Nomination Committee, Remuneration Committee and Audit Committee. All the Board Committees have its own terms of reference and has the authority to act on behalf of the Board within the authorities as lay out in the terms of reference and report to the Board with the necessary recommendation.

Corporate Governance Statement (cont'd)

BOARD OF DIRECTORS (CONT'D)

Nomination Committee

The Nomination Committee, which comprises wholly Non-Executive Directors and its primary function, is to recommend candidates to the Board and assess Directors on an on-going basis. The final decision on appointments shall be the responsibility of the full Board after considering the recommendations of the Nomination Committee.

The Nomination Committee comprises the following members:
- Peter Wong Hoy Kim (Chairman / Senior Independent & Non-Executive Director)
- Ibrahim bin Hamzah (Member / Independent & Non-Executive Director)

The nomination of Directors for purpose of re-election shall also be determined and thereafter recommended by the Nomination Committee for approval by the Board. In nominating Directors for re-election, the Nomination Committee is guided by the provisions of the Articles of Association of the Company.

Remuneration Committee

The Remuneration Committee has been set up to evaluate and recommend the remuneration framework for Directors as well as the remuneration packages for Executive Directors of the Company.

The Remuneration Committee comprises the following members:
- Peter Wong Hoy Kim (Chairman / Senior Independent & Non-Executive Director)
- Ibrahim bin Hamzah (Member / Independent & Non-Executive Director)
- Malik Parvez Ahmad bin Nazir Ahmad (Member / Independent & Non-Executive Director)

Audit Committee

The Audit Committee is primarily responsible for matters relating to financial accounting and controls to ensure that good practices are adopted in the review and disclosure in the financial affairs of the Group. The Audit Committee also provides an independent and neutral avenue for reporting and feedback both between the internal and external auditors; and the Directors and management representatives of the Group.

The composition, functions and responsibilities of the Audit Committee together with its report are presented in the Audit Committee Report section in this Annual Report.

Appointments to the Board and Re-election

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board shall hold office only until the next Annual General Meeting after their appointment and shall then be eligible for re-election. The Articles also provide that at least one-third (1/3) of the remaining Directors be subject to retirement by rotation at each Annual General Meeting provided always that all Directors including the Managing Director shall retire from office at least once every three years but shall be eligible for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every Annual General meeting and may offer themselves for re-appointment to hold office until the next Annual General Meeting.

The re-appointment and re-election of Directors at the Annual General Meeting is subject to the prior assessment by the Nomination Committee.

Corporate Governance Statement (cont'd)

BOARD OF DIRECTORS (CONT'D)

Directors' Training

The Group acknowledges that continuous education is vital for the Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies.

The Directors are encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board. Areas of concern include those related to corporate governance, operational as well as changes in laws and regulations affecting the business community.

During the financial year ended 31 December 2011, all the Directors of the Company attended the following training programmes and professional development courses:-

Director	Training	Date
Low Bok Tek	Continuing Education for Directors (Related Party Transactions)	21 Nov 2011
Peter Wong Hoy Kim	Continuing Education for Directors (Related Party Transactions)	21 Nov 2011
Ibrahim bin Hamzah	Continuing Education for Directors (Related Party Transactions)	21 Nov 2011
Malik Parvez Ahmad bin Nazir Ahmad	Infraassets Program	22-24 Feb 2011
	Asia Development Bank Business Opportunities	13 Oct 2011
	Malaysian FRS Update and IFRS Convergence	18 Oct 2011
	Continuing Education for Directors (Related Party Transactions)	21 Nov 2011

In addition to the above, Directors' education also includes briefings by the Internal Auditors, External Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the Audit Committee and Board meetings.

DIRECTORS' REMUNERATION

Level and Make-up of Remuneration

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains the Directors needed to run the Group successfully. The component parts are designed to link rewards to corporate and individual performance in the case of Executive Directors. Any salary reviews would take into account of the level of responsibilities, performance of individual Directors and market competitiveness. As for the Non-Executive Directors, the Board considers their experiences, level of responsibilities and time commitments, taking into account the number of board meetings, membership of Board committees and all additional work and contribution towards the Group.

Remuneration Procedure

The Remuneration Committee recommends for the Board's approval on all elements of remuneration for Executive Directors with the Director concerned abstaining from deliberations and voting on decisions in respect of his own remuneration package.

The Non-Executive Directors are abstained from deliberations and voting on decision in respect of his individual remuneration package. The determination of the remuneration package for Non-Executive Directors is a matter for the Board as a whole and subject to the approval of shareholders at the Annual General Meeting.

Corporate Governance Statement (cont'd)

DIRECTORS' REMUNERATION (CONT'D)

Remuneration Procedure (cont'd)

The details of the remuneration of the Directors of the Company for services rendered to the Group for the financial year ended 31 December 2011 are as follows:-

	Executive Directors (RM)	Non Executive Directors (RM)
Remuneration		
- Fees	-	90,000
- Salaries & Other Emoluments	1,665,100	26,000

The number of Directors whose remuneration falls within the following bands is as follows:

	Number of Directors	
Range of Remuneration	**Executive**	**Non Executive**
Below RM50,000	-	3
RM1,650,001 – RM1,700,000	1	-

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

Shareholders and Investors Relations

The Group values dialogue with investors as a means of effective communication that enables the Board to convey information about the Group's performance, corporate strategy and other matters affecting shareholders' interests. Such information is communicated through the Annual Report and the various disclosures and announcements to Bursa Malaysia Securities Berhad including quarterly and annual results.

Care is taken to ensure that no market sensitive information such as corporate proposals, financial results and other material information is disseminated to any party without first making an official announcement through Bursa Malaysia Securities Berhad.

Annual General Meeting ("AGM")

The AGM provides a vital forum for dialogue with shareholders. At the AGM, shareholders are encouraged to participate in the question-and-answer session on the resolutions being proposed or to share viewpoints and acquire information on issues relevant to the business operation of the Group in general.

Copies of the Annual Report and Notice of the AGM are sent to all shareholders at least twenty-one (21) days before the meeting. The Notice of the AGM is also published in widely circulated newspapers.

Each item of special business included in the Notice of the meeting will be accompanied by an explanatory statement for the effects of a proposed resolution to facilitate full understanding and evaluation of issues involved.

Corporate Governance Statement (cont'd)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors are aware of their responsibilities to present a balance and understandable assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of results to shareholders. In this respect, the Audit Committee assists the Board in overseeing the Group's financial reporting processes and the quality of its financial reporting.

Internal Control

The Board of Directors is responsible for maintaining a sound system of internal control to provide reasonable assurance regarding the achievement of the Group's objectives in ensuring effectiveness and efficiency of operation, reliability and transparency of financial information and compliance with laws and regulations.

The Board recognizes that reviewing the Group's system of internal control is a continuing process, designed to manage rather that eliminate the risk of failure to achieve business objectives. Accordingly, the systems, processes and procedures being put in place are aimed at minimizing those risks and to provide reasonable but not absolute assurance against material misstatement, fraud and loss.

The Statement on Internal Control as set out in this Annual Report provides an overview of the state of internal controls within the Group.

Relationship with Auditors

The Audit Committee supports the Board in its responsibility to oversee the financial reporting and the effectiveness of the internal control of the Group. The Group has always maintained a formal and transparent relationship with its external and internal auditors through the Audit Committee. The Audit Committee acts as an independent channel of communication for the auditors to convey its objective views and professional advice on the Group's financial and operational activities.

Key features for the relationship of the Audit Committee with both the internal and external auditors are more particularly described in the Audit Committee Report set out in this Annual Report.

This Statement was made in accordance with a resolution of the Board of Directors at a meeting held on 14 May 2012

Statement of Directors' Responsibility

In Respect of the Audited Financial Statements

The Directors are required to prepare financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of their results and cash flows for that year ended.

In the preparation of the financial statements, the Directors have:-

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards, the Main Market Listing Requirements of Bursa Securities and other statutory requirements have been complied with; and
- confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and that the underlying financial statements are prepared in compliance with the provisions of the Companies Act, 1965.

The Directors are also responsible for taking reasonable steps to prevent and detect fraud and other irregularities, in order to safeguard the assets of the Group.

This Statement was made in accordance with a resolution of the Board of Directors at a meeting held on 14 May 2012

Statement On Internal Control

Introduction

Pursuant to paragraph 15.26(b) of the Bursa Securities Main Market Listing Requirements, the Board of Directors of Latexx Partners Berhad is pleased to provide the following statement on the internal control which outlines the nature and scope of internal control of the Group during the year under review.

Board Responsibilities

The Board acknowledges its responsibility of maintaining a sound and effective system of internal controls, which include reasonable assessment and management of effective and efficient operations, internal financial control and compliance with laws and regulations as well as with internal procedures and guidelines. The Board is also responsible for reviewing the adequacy and integrity of the internal control system to ensure shareholders' interests and the Group's assets is safeguarded. This responsibility has been delegated to the Audit Committee, which is empowered by its terms of reference to seek the assurance on the adequacy and effectiveness of the Group's internal controls system through independent reviews conducted by the internal audit function and the annual statutory audits conducted by the external auditors. As highlighted in the Audit Committee Report, the Audit Committee has full access and direct communication with the external and internal auditors in discharging its responsibilities. The Audit Committee reports significant controls matters to the Board at their scheduled meetings. Its independence is assured by the composition of all Independent Directors.

However, as there are inherent limitations in any system of internal controls, such system can only manage rather than eliminate all possible risks that may impede the achievement of the Group's business objectives or goals. Therefore, the system can only provide reasonable and not absolute assurance against material misstatements or losses.

Internal Control Environment

Within the Group, there are organisational structures in place for each operating unit with clearly defined levels of authority. Management of each operating unit has clear responsibility for identifying risk affecting their unit and the overall Group's business as a whole. They are also charged with instituting adequate procedures and internal controls to mitigate and monitor such risks on an ongoing basis.

Key elements of the Group's internal control system comprised:-

- An organization structure that clearly defines the lines of responsibility, proper segregation of duties and delegation of authority;

- Strategic business planning and budgeting process which establishes plans and targets against which performance are monitored on an on-going basis;

- The Group has adequately qualified and experienced financial management personnel responsible for the operation and monitoring of the effectiveness of internal controls. Management accounts and reports are prepared monthly for effective monitoring and decision-making;

- Timely financial reporting in providing relevant financial information for management review. Announcement of financial information is further subjected to the Audit Committee's reviews prior to the Board's approval;

- Regular Management meetings to assess the Group's performance and controls;

- Board members meet regularly to review the Group's financial performance, business initiatives, management and corporate issues. Board Papers are distributed to the members ahead of the meetings and Board members have access to all relevant information;

Statement On Internal Control (cont'd)

Internal Control Environment (cont'd)

- Experienced and dedicated team of personnel across key functional units;
- Established internal policies and procedures for key business units within the Group;
- Ensuring the operation is in adherence to the relevant regulatory and legislative requirement;
- Human resource policies encompassing areas of recruitment, training and development, health and safety, staff performance, appraisal and succession planning with the objective to enhance staff integrity and the development of professionalism and competency of employees in the Group.

Internal Audit Function

The Group's internal control systems are continually being reviewed and enhanced to ensure that changes in the Group's business and operating environment are adequately managed. The Audit Committee and Board obtain regular assurance on the adequacy and effectiveness of the internal control system through independent reviews performed by the internal audit function which is outsourced to a professional services firm.

The review by the internal auditors covers financial and operational controls together with compliance to policies and procedures. These are designed to provide sufficient assurance of regular reviews and appraisals of the effectiveness of the system of internal controls within the Group. The internal audit team assists the Audit Committee in identifying, evaluating, monitoring and managing the significant risks to ensure proper risk management, adequacy and integrity of the internal control systems in all operational units within the Group. During the financial year, the internal audit function carried out audits in accordance with the risk based internal audit plan approved by the Audit Committee. Based on the internal audit reviews carried out, the results of the review were presented to the Audit Committee at the committee's scheduled meetings. The Audit Committee, in turn reports to the Board, its findings and consequently its conclusion on the effectiveness of internal control system quarterly.

Conclusion

The Board will continuously take appropriate steps to strengthen the transparency and efficiency of its operations. It is the intention of the Board and its management to undertake a comprehensive review on the governance and internal control framework at those entities where management control exists. Other initiatives deemed necessary will be considered from time to time to ensure that the control environment remains reasonable secure.

The Board is of the view that there were no material losses incurred by the Group during the financial year as a result of weaknesses in internal control. Nevertheless, the Board and Management continue to take appropriate measures from time to time to strengthen the existing control environment within the Group.

Pursuant to Paragraph 15.23 of the Bursa Securities Main Market Listing Requirements, the external auditors have reviewed this Statement on Internal Control for inclusion in the Annual Report of the Group for the financial year ended 31 December 2011 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 reviewing the adequacy and integrity of the system of internal controls.

This Statement was made in accordance with a resolution of the Board of Directors at a meeting held on 27 April 2012

Audit
Committee Report

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee consists of the following members:

- Peter Wong Hoy Kim (Chairman)
  Senior Independent Non-Executive Director

- Ibrahim bin Hamzah
  Independent Non-Executive Director

- Malik Parvez Ahmad bin Nazir Ahmad
  Independent Non-Executive Director

MEETINGS AND ATTENDANCE

The Audit Committee meets periodically to carry out its functions and duties in accordance with its Terms of Reference. During the financial year ended 31 December 2011, the Audit Committee held a total of five (5) meetings with attendance as follows:-

Audit Committee Members	No. of Meetings Attended	Percentage of Attendance
Peter Wong Hoy Kim	5/5	100
Malik Parvez Ahmad bin Nazir Ahmad	5/5	100
Ibrahim bin Hamzah	3/5	60

FUNCTIONS AND RESPONSIBILITIES

The key functions and responsibilities of the Audit Committee are:-

1. To review the quarterly results and year end financial statements of the Company, prior to the approval by the Board of Directors, focusing particularly on:-

   - going concern assumptions;
   - any changes in accounting policies and practices;
   - significant adjustments and unusual events; and
   - compliance with accounting standards, regulatory and other legal requirements.

2. To review, consider and discuss with the external auditors of the followings:-

   - the audit plan, nature and scope of the audit prior to the commencement of audit;
   - their audit report;
   - their evaluation of the system of internal control;
   - problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary); and
   - their management letter and management's response.

3. To consider and recommend the nomination and appointment, the audit fee and any questions of resignation, dismissal or re-appointment of the external auditors.

4. To review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

Audit Committee Report (cont'd)

FUNCTIONS AND RESPONSIBILITIES (CONT'D)

5. To review the followings in relation to the internal audit function:-

    - adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
    - internal audit programme and results of the internal audit programme, processes or investigation undertaken and where necessary ensure that appropriate actions taken on the recommendations of the internal audit function;
    - effectiveness of the system of internal control;
    - major findings of internal audit investigations and management's response;
    - review any appraisal or assessment of the performance of the staff of the internal audit function;
    - approve any appointment or termination of senior staff member of the internal audit function; and
    - note resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation.

6. Report promptly to the Bursa Malaysia Securities Berhad on any matter reported by it to the Board of Directors which has not been satisfactorily resolved resulting in the breach of the Main Market Listing Requirements.

7. Prepare Audit Committee Report at the end of each financial year.

8. Carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit Committee and Board of Directors from time to time.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The following activities were carried out by the Audit Committee for the financial year ended 31 December 2011 under review in accordance with its functions and duties:-

Financial Results

- Reviewed the annual audited financial statements of the Group, unaudited quarterly financial results of the Group, and thereafter recommend to the Board for approval;
- Reviewed the new accounting standards applicable in the preparation of the consolidated financial statements and the additional regulatory disclosure requirements;
- Assessed the Group's financial performance.

Internal Audit

- Reviewed the Internal Audit plan, resources and scope of audit;
- Reviewed the major findings of Internal Audit reports and their recommendations relating thereto;
- Reviewed the Group's systems and practices for the identification and management of risks.

External Audit

- Reviewed the suitability of the external auditors and recommended to the Board for re-appointment and the audit fee thereof;
- Discussed and reviewed the external auditors' audit plan, the nature and scope of the audit plan, audit report and the areas of audits of the Group;
- Reviewed the external auditors' evaluation of the system of internal controls;
- Reviewed the external auditors' findings arising from audits in particularly any comments and responses in management letters as well as assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken;
- Reviewed the external auditors' audit report.

Audit Committee Report (cont'd)

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

Related Party Transactions

- Reviewed the Group's procedures for monitoring and reviewing of related party transactions to satisfy itself that the procedures were sufficient to ensure that the related party transactions were carried out on normal commercial terms which were not prejudicial to the interests of shareholders and that the terms of the related parties transactions were not more favourable to the related parties than those generally available to the public and also not detrimental to interests of minority shareholders.

Audit Committee Report & Statement on Internal Control

- Reviewed the Audit Committee Report and Statement on Internal Control prior to the Board's approval for inclusion into the Annual Report.

INTERNAL AUDIT FUNCTION

The Audit Committee acknowledges the need for an effective system of internal control covering all aspects of the Group's activities and the internal audit function is an integral part of the risk management process.

In this regards, the internal audit function of the Company is being out-sourced to a professional services firm, which is tasked with the aim of assisting the Audit Committee in assessing risks, recommend measures to mitigate risks, establish cost effective controls and assess proper governance process. The internal auditor acts independently with impartiality and proficiency and reports directly to the Audit Committee.

The activities undertaken by the internal auditors during the financial year under review include the followings:-

1. Formulated, reviewed and agreed with the Audit Committee the strategy, scope of work and annual internal audit plan;

2. Reviewed and assessed the Group's compliance to its established policies, guidelines and procedures related to internal control;

3. Assessed the reliability and integrity of financial and operational information;

4. Analysed and discussed with the Audit Committee on the internal audit findings and made recommendations for improvements;

5. Follow-up audit review was conducted to monitor and ensure that all audit recommendations have been effectively implemented.

The total cost incurred for the Group's internal audit function for the financial year ended 31 December 2011 amounted to approximately RM 32,540.

STATEMENT BY THE AUDIT COMMITTEE IN RELATION TO OPTIONS ALLOCATION

The Company had implemented an Employee Share Option Scheme ("ESOS") on 28 June 2010 for a period of five (5) years and may be extended for a further period of up to five (5) years, at the sole and absolute discretion of the Board upon recommendation of the ESOS Committee. The Audit Committee has reviewed the allocation of share options pursuant to the ESOS is in compliance with criteria as set out in the ESOS Bye-Laws.

During the financial year, there was an allocation of 3,895,000 share options granted to the eligible employees by the Company pursuant to the ESOS. However, no share options were exercised by the option holders during the financial year.

Additional Compliance Information

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. **Utilisation of Proceeds**

   The Company did not raise any funds through any corporate proposal during the financial year ended 31 December 2011.

2. **Options, Warrants and Convertible Securities**

   During the financial year under review, the Company issued 4,016,000 new ordinary shares of RM0.50 each at an issue price of RM0.53 per share arising from the exercise of warrants issued by the Company.

   During the financial year, the Company also granted 3,895,000 share options pursuant to the Employee Share Option Scheme ("ESOS"). Details are disclosed in Directors' Report and Note 15 (c) of the financial statements.

   The aggregate maximum allowable allocation and actual ESOS options granted to directors and senior management during the financial year 2011 and since the commencement of the ESOS are as follow:-

	Financial Year 2011		Since the commencement of the ESOS	
	Maximum Allowable Allocation (%)	Actual Allocation (%)	Maximum Allowable Allocation (%)	Actual Allocation (%)
Executive Director and Senior Management	50.0	6.3	50.0	18.0

3. **Non-Audit Fees**

   There is no non-audit fees paid to the external auditors for the financial year ended 31 December 2011.

4. **Material Contracts Involving Directors and Major Shareholders**

   There were no material contracts subsisting as at 31 December 2011 or entered into since the end of the previous financial year, by the Company and its subsidiaries involving the interests of directors and/or major shareholders.

5. **Contract Relating to Loans**

   During the financial year, there were no contracts relating to loans entered into by the Company involving the interests of directors and/or major shareholders.

Additional Compliance Information (cont'd)

6. Share Buy-Back

The details of the shares repurchased and retained as treasury shares during the financial year ended 31 December 2011 are set out as below:-

	No of Latexx Shares Purchased	Highest Price per share RM	Lowest Price per share RM	Average Price per share RM	Total Amount Paid RM
July 2011	187,000	2.00	1.93	1.98	370,496.82
August 2011	113,700	1.93	1.60	1.77	201,514.34
September 2011	85,000	1.29	1.24	1.26	106,908.29
Total	385,700				678,919.45

No shares were resold or cancelled during the financial year.

7. Depository Receipt ("DR") Programme

The Company did not sponsor any DR programme during the financial year ended 31 December 2011.

8. Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the regulatory bodies.

9. Profit Estimate, Forecast or Projection

The Company and its subsidiaries did not release any profit estimate, forecast or projection and there was no variation in results by 10% or more between the audited and the unaudited results announced during the financial year ended 31 December 2011.

10. Profit Guarantees

During the financial year, there were no profit guarantees given by the Company.

11. Recurrent Related Party Transactions of a Revenue or Trading Nature

The Company did not incur any recurrent related party transaction of a revenue or trading nature during the financial year ended 31 December 2011.

Financial Statements

Directors' Report
for the year ended 31 December 2011

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and trading of rubber gloves. The principal activities of its subsidiaries are listed in Note 7 to the financial statements. There have been no significant changes in these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the year	40,032,877	12,114,078

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

During the year, the Company declared and paid the following interim dividends in respect of the financial year ended 31 December 2011:

a) A first interim single-tier tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each amounting to RM5,531,916.71 which was paid on 18 July 2011; and

b) A second interim single-tier tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each amounting to RM5,552,511.71 which was paid on 5 January 2012.

The directors have recommended the payment of a final tax-exempt dividend of 3% per ordinary share of RM0.50 each for the financial year ended 31 December 2011 subject to the approval by shareholders at the forthcoming annual general meeting of the Company. The financial statements for the financial year ended 31 December 2011 do not reflect these dividends. Upon the shareholders' approval, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2012.

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 issued 4,016,000 new ordinary shares of RM0.50 each at an issue price of RM0.53 per share for cash arising from the exercise of warrants issued by the Company.

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

Directors' Report (cont'd)

for the year ended 31 December 2011

TREASURY SHARES

During the financial year, the Company repurchased 385,700 (2010: 353,500) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.76 (2010: RM3.44) per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. There was no resale or cancellation of treasury shares during the financial year.

As at 31 December 2011, the Company held as treasury shares a total of 739,200 (2010: 353,500) of its 222,839,670 (2010: 218,823,670) issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,894,941 (2010: RM1,216,022) and further relevant details are disclosed in Note 15 to the financial statements.

SHARE OPTIONS

During the financial year, 3,895,000 share options were granted pursuant to the Employee Share Option Scheme.

WARRANTS 2007/2017

Pursuant to a deed poll dated 6 April 2007 ("Deed Poll"), the Company has issued 80,151,858 free detachable warrants ("Warrants") pursuant to a Debt Settlement and Placement exercise.

The salient features of the Warrants as stated in the Deed Poll are as follows:-

a) Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one (1) new ordinary share at an exercise price of RM0.53 per ordinary share.

b) The exercise price and number of Warrants are subject to adjustment in accordance with the conditions provided in the Deed Poll.

c) In the case of winding up of the Company, all Subscription Rights which have not been exercised within six (6) weeks of the passing of such resolution of granting of the court order shall lapse and the Warrants will cease to be valid for any purpose.

d) The exercise period is 10 years from the date of issue to expire on 6 June 2017.

e) Upon expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

The Warrants were granted for listing and quotation with effect from 12 June 2007. There were 4,016,000 warrants being exercised during the financial year ended 31 December 2011.

Directors' Report (cont'd)
for the year ended 31 December 2011

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company's Employee Share Option Scheme ("ESOS") is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 16 June 2010.

The main features of the ESOS are as follows:-

a) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued and paid-up share capital of the company at any point of time during the duration of the ESOS which shall be in force for a period of five (5) years commencing from 28 June 2010 and may be extended for a further period of up to five (5) years.

b) Eligible persons are those directors holding full time executive positions as at date of offer, involved in the day-to day management and on the payroll of the Group who are specifically approved as eligible to participate in the ESOS by the Company in general meeting and are not prohibited or disallowed by the relevant authorities or laws from participating in the ESOS or employees who have been confirmed of continuous service in the Group (including a foreign employee who is not a contract employee of the Group) as at the date of offer.

c) The option price of each share shall be based on the 5-day weighted average market price of the underlying shares immediately prior to the offer date with a discount of not more than ten per centum (10%), if deemed appropriate, or the par value of the Company's shares, whichever is the higher. The option price shall be subject to certain adjustments in accordance with provisions under the By-Laws.

d) The selection of the eligible employees to subscribe for ordinary shares of the Company and the allocation of shares thereafter shall be at the discretion of the ESOS Committee subject to the following:-

   (i) Not more than fifty percent (50%) of the shares available under the ESOS should be allocated, in aggregate, to the executive directors and senior management of the Group;

   (ii) Not more than ten percent (10%) of the shares available under the ESOS should be allocated to any individual director or employee, who, either singly or collectively through persons connected with him/her holds 20% or more of the issued and paid-up capital of the Company; and

   (iii) Subject always to the By-Laws, the number of new shares that may be offered and allotted to any selected employee under the ESOS shall be at the absolute discretion of the ESOS Committee after taking into consideration the job grade, seniority, performance and length of service of the selected employee in the Group.

e) No option shall be granted for less than 100 ordinary shares and shall be granted in multiples of 100 ordinary shares only.

f) The option is personal to the grantee and is not to be assigned, transferred, charged or disposed off.

g) The shares to be allocated and upon any exercise of the option will, upon allotment and issue, rank pari passu in all respects with the then existing issued shares of the Company except that they shall not rank for any dividends, rights or other distributions declared, made or paid to shareholders prior to the date of allotment.

Directors' Report (cont'd)
for the year ended 31 December 2011

EMPLOYEE SHARE OPTION SCHEME ("ESOS") (CONT'D)

The details of the options offered to take up unissued ordinary shares of RM0.50 each and the option price are as follows:

Grant Date	Exercise Price RM/share	No. of options over ordinary shares of RM0.50 each Balance at 01.01.2011	Granted	Exercised	Lapsed	Balance at 31.12.2011
12.07.2010	3.19	7,033,000	-	-	(2,271,000)	4,762,000
04.10.2011	1.19	-	3,895,000	-	(10,000)	3,885,000
		7,033,000	3,895,000	-	(2,281,000)	8,647,000

The Company was granted an exemption by the Companies Commission of Malaysia on 24 April 2012 from having to disclose in this report the names of employees who have been granted options in aggregate of less than 90,000 options during the financial year.

The employees who have been granted options in aggregate of 90,000 or more than 90,000 options during the financial year are as follows:

	No. of Options As at 01.01.2011	Granted	Lapsed Due To Resignation/ Exercised	As at 31.12.2011
Low Bok Tek	2,000,000	750,000	-	2,750,000
Kok Yoon Lim	750,000	-	(750,000)	-
Chua Tiong Pan	-	375,000	-	375,000
Ng Boon Sing	-	375,000	-	375,000
Lim Chong Eng	180,000	-	(180,000)	-
Terence Lim Sin Kooi	180,000	-	(180,000)	-
Liew Lai Lai	135,000	240,000	-	375,000
Laurence @ Laurence David A/L David	180,000	90,000	-	270,000
Chin Chun Seong	180,000	90,000	-	270,000
Lau Gick Hok	180,000	90,000	-	270,000
Loke Yoke Toi @ Lim Yoke Toi	135,000	-	(135,000)	-
Phee Poh Choo	80,000	45,000	-	125,000
Lim Lai Teen	80,000	45,000	-	125,000
Lau Siau Hui	80,000	45,000	-	125,000
Choo Beng Boon	80,000	45,000	-	125,000
Ng Chun Chiat	80,000	45,000	-	125,000
Sulaiman bin Saad	80,000	45,000	-	125,000
Thanabalasingam A/L P Sandara	80,000	45,000	-	125,000
Gan Suat Oo	80,000	45,000	-	125,000
Poh Hock Chye	80,000	45,000	-	125,000
Chelliah A/L Nachiappan	60,000	45,000	-	105,000
Ng Kwee Kuan	60,000	45,000	-	105,000
Ong Ai Li	50,000	45,000	-	95,000
Quentin William Howell	-	90,000	-	90,000

Directors' Report (cont'd)
for the year ended 31 December 2011

DIRECTORS
The directors who served since the date of the last report are:-

Low Bok Tek
Peter Wong Hoy Kim
Ibrahim Bin Hamzah
Malik Parvez Ahmad Bin Nazir Ahmad

DIRECTORS' INTERESTS
According to the register of directors' shareholdings, the interest of directors in office at the end of the financial year in shares, options over shares and warrants in the Company and its related corporations were as follows:

	Number of ordinary shares of RM0.50 each			
Shares in the company	**Balance at**			**Balance at**
Latexx Partners Berhad	**01.01.2011**	**Bought**	**Sold**	**31.12.2011**
Direct Interest				
Low Bok Tek	15,470,857	-	-	15,470,857
Ibrahim bin Hamzah	219,000	-	-	219,000
Indirect interest				
Low Bok Tek*	49,571,600	-	-	49,571,600
Ibrahim bin Hamzah**	165,000	-	-	165,000

	Number of warrants			
Warrants in the Company	**Balance at**		**Sold/**	**Balance at**
Latexx Partners Berhad	**01.01.2011**	**Bought**	**Exercised**	**31.12.2011**
Indirect interest				
Low Bok Tek*	35,000,000	-	-	35,000,000

None of the other directors holding office at the year end had any interest in shares, options over shares and warrants of the Company and its related corporations during the financial year.

By virtue of his interest in the shares of the Company, Low Bok Tek is also deemed to have interest in the shares of all the subsidiary companies to the extent that the Company has an interest.

* Deemed to have an interest in the shares and warrants by virtue of Section 6A(4)(c) of the Companies Act, 1965.

** Deemed interested through his son's interest in Latexx Partners Berhad

DIRECTORS' BENEFITS
Since the end of the last financial year, no director of the Company has received or entitled to receive any benefit (other than the directors' remuneration as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for the related party transactions as disclosed in Note 29 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate other than those arising from the share options granted pursuant to the Employees' Share Option Scheme ("ESOS").

Directors' Report (cont'd)

for the year ended 31 December 2011

OTHER STATUTORY INFORMATION

a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and

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

b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

d) At the date of this report, the directors are not aware of any circumstances 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.

e) At the date of this report, there does not exist:

   (i) 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 liability of any other person; or

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

f) In the opinion of the directors:

   (i) 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 will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

   (ii) 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 the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report (cont'd)

for the year ended 31 December 2011

AUDITORS

The auditors, Messrs STYL Associates, have indicated their willingness to continue in office.

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

LOW BOK TEK	**MALIK PARVEZ AHMAD BIN NAZIR AHMAD**
Director	Director

Taiping, Perak Darul Ridzuan
Date : 27 April 2012

Statement by Directors

We, **Low Bok Tek and Malik Parvez Ahmad Bin Nazir Ahmad**, being directors of **Latexx Partners Berhad**, do hereby state on behalf of the directors that in our opinion, the accompanying financial statements of the Group and of the Company as set out on pages 38 to 78 are properly drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information as set out in Note 32 is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

LOW BOK TEK
Director

MALIK PARVEZ AHMAD BIN NAZIR AHMAD
Director

Taiping, Perak Darul Ridzuan
Date : 27 April 2012

Statutory Declaration

I, **Dr Liew Lai Lai**, I/C No: 700514-08-5492, being the officer primarily responsible for the accounting records and financial management of **Latexx Partners Berhad**, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company as set out on pages 38 to 78, are to the best of my knowledge and belief, 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.

Subscribed and solemnly declared by
Dr Liew Lai Lai, I/C No: 700514-08-5492
at Taiping, Perak Darul Ridzuan
on 27 April 2012

DR LIEW LAI LAI

Before me:
SABIR AHMAD B.BADARUDDIN
COMMISSIONER FOR OATHS

STYL Associates
[AF 001929]
Chartered Accountants

107-B, Jalan Aminuddin Baki,
Taman Tun Dr Ismail, 60000 Kuala Lumpur
Tel: 603-77275573 Fax: 603-77270771
e-mail: stylaudit@gmail.com

Independent Auditors' Report
to the members of Latexx Partners Berhad
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Latexx Partners Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 78.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with application Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report (cont'd)

to the members of Latexx Partners Berhad

Report on Other Legal and Regulatory Requirements

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

a) in our opinion the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) we are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) the audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The information set out in Note 32 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

STYL ASSOCIATES
[AF 001929]
Chartered Accountants

TAN TIN
[1451/06/12(J/PH)]
Partner

Kuala Lumpur
Date : 27 April 2012

Statements of Financial Position
as at 31 December 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Assets					
Non-current Assets					
Property, plant and equipment	6	233,233,060	214,927,125	-	-
Investment in subsidiaries	7	-	-	65,389,059	65,645,201
Other investments	8	1	1	1	1
Goodwill on consolidation	9	20,370,773	20,370,773	-	-
		253,603,834	235,297,899	65,389,060	65,645,202
Current Assets					
Inventories	10	79,132,775	47,237,646	-	-
Receivables	11	54,668,841	56,242,994	6,191,746	496,190
Amount due from subsidiaries	12	-	-	83,013,180	79,947,446
Held for trading financial assets	13	206,480	16,406,480	-	-
Cash and bank balances	14	55,492,837	43,979,929	73,453	12,426
		189,500,933	163,867,049	89,278,379	80,456,062
Total assets		443,104,767	399,164,948	154,667,439	146,101,264
Equity and Liabilities					
Capital and reserves					
Share capital	15	111,419,835	109,411,835	111,419,835	109,411,835
Reserves	16	156,097,814	126,587,891	39,401,578	37,810,454
Treasury shares	15	(1,894,941)	(1,216,022)	(1,894,941)	(1,216,022)
Shareholders' equity		265,622,708	234,783,704	148,926,472	146,006,267
Non-current Liabilities					
Hire-purchase and finance lease payables	17	32,407,839	34,115,450	-	-
Borrowings	18	11,669,294	17,472,252	-	-
Deferred tax liabilities	19	11,664,425	9,364,791	-	-
		55,741,558	60,952,493	-	-

Statements of Financial Position (cont'd)

as at 31 December 2011

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
Current Liabilities					
Payables	20	49,914,945	59,315,342	188,456	94,997
Hire-purchase and finance lease payables	17	15,984,084	12,499,533	-	-
Tax liabilities		8,926,845	3,793,532	-	-
Dividend payable		5,552,511	-	5,552,511	-
Borrowings	18	41,362,116	27,820,344	-	-
		121,740,501	103,428,751	5,740,967	94,997
Total equity and liabilities		443,104,767	399,164,948	154,667,439	146,101,264

The accompanying notes form an integral part of the financial statements

Statements of Comprehensive Income

for the year ended 31 December 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Revenue	21	440,613,934	497,245,113	10,525,059	62,770,167
Cost of sales		(349,764,452)	(372,274,083)	(8,875,426)	(61,687,805)
Gross profit		90,849,482	124,971,030	1,649,633	1,082,362
Other income		2,942,750	489,171	11,182,337	48,369,814
Direct operating expenses		(9,901,364)	(8,379,192)	-	-
Administrative and general expenses		(12,973,006)	(19,689,763)	(717,843)	(3,480,457)
Selling and distribution expenses		(4,534,894)	(7,633,549)	-	-
Profit from operation		66,382,968	89,757,697	12,114,127	45,971,719
Finance costs	22	(6,380,168)	(5,704,171)	-	-
Profit before taxation	23	60,002,800	84,053,526	12,114,127	45,971,719
Taxation	24	(19,969,923)	(18,599,219)	(49)	-
Net profit for the year		40,032,877	65,454,307	12,114,078	45,971,719
Other comprehensive income		-	-	-	-
Total comprehensive income		40,032,877	65,454,307	12,114,078	45,971,719
Net profit/Comprehensive income attributable to:					
Shareholders of the Company		40,032,877	65,454,307		
Earnings per ordinary share (sen)	25				
- basic		18.04	31.21		
- diluted		15.16	24.68		

The accompanying notes form an integral part of the financial statements

Statement of Changes In Equity

for the year ended 31 December 2011

Group	Share Capital RM	RM	Share Premium RM	ESOS Reserve RM	Treasury Shares RM	Retained Earnings RM	Total RM
	Attributable to Equity Holders of the Company						
		Non-Distributable			Distributable		
Balance as at 1 January 2010	98,802,757	792,252	827,186	-	-	69,329,289	169,751,484
Issue of shares during the year	10,609,078	-	636,545	-	-	-	11,245,623
Shares purchased during the year held as treasury shares	-	-	-	-	(1,216,022)	-	(1,216,022)
Equity contribution arising from ESOS scheme	-	-	-	256,144	-	-	256,144
Dividends	-	-	-	-	-	(10,707,832)	(10,707,832)
Total comprehensive income	-	-	-	-	-	65,454,307	65,454,307
Balance as at 31 December 2010	109,411,835	792,252	1,463,731	256,144	(1,216,022)	124,075,764	234,783,704
Issue of shares during the year	2,008,000	-	120,480	-	-	-	2,128,480
Shares purchased during the year held as treasury shares	-	-	-	-	(678,919)	-	(678,919)
Equity contribution arising from ESOS scheme	-	-	-	460,994	-	-	460,994
Total comprehensive income	-	-	-	-	-	40,032,877	40,032,877
Dividends	-	-	-	-	-	(11,104,428)	(11,104,428)
Balance as at 31 December 2011	111,419,835	792,252	1,584,211	717,138	(1,894,941)	153,004,213	265,622,708

Company	Share Capital RM	Share Premium RM	ESOS Reserve RM	Treasury Shares RM	Retained Earnings RM	Total RM
	Attributable to Equity Holders of the Company					
	Non-Distributable			Distributable		
Balance as at 1 January 2010	98,802,757	827,186	-	-	826,692	100,456,635
Issue of shares during the year	10,609,078	636,545	-	-	-	11,245,623
Shares purchases during the year held as treasury shares	-	-	-	(1,216,022)	-	(1,216,022)
Equity contribution arising from ESOS scheme	-	-	256,144	-	-	256,144
Dividends	-	-	-	-	(10,707,832)	(10,707,832)
Total comprehensive income	-	-	-	-	45,971,719	45,971,719
Balance as at 31 December 2010	109,411,835	1,463,731	256,144	(1,216,022)	36,090,579	146,006,267
Issue of shares during the year	2,008,000	120,480	-	-	-	2,128,480
Shares purchased during the year held as treasury shares	-	-	-	(678,919)	-	(678,919)
Equity contribution arising from ESOS schemes	-	-	460,994	-	-	460,994
Dividends	-	-	-	-	(11,104,428)	(11,104,428)
Total comprehensive income	-	-	-	-	12,114,078	12,114,078
Balance as at 31 December 2011	111,419,835	1,584,211	717,138	(1,894,941)	37,100,229	148,926,472

The accompanying notes form an integral part of the financial statements

Statements of Cash Flows

for the year ended 31 December 2011

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash Flows from Operating Activities				
Profit before taxation	60,002,800	84,053,526	12,114,127	45,971,719
Adjustments for:				
Amortisation of long leasehold land	81,156	137,455	-	-
Bad debts written off	-	614,687	-	-
Dividend income	(82,398)	(147,776)	(11,115,000)	(10,750,000)
Depreciation of property, plant and equipment	13,082,780	10,768,690	-	-
Deemed disposal in subsidiary company	-	(12,552)	-	-
Gain on disposal of property, plant and equipment	-	(76,300)	-	-
Interest income	(92,993)	(48,924)	-	-
Interest expenses	6,380,168	5,704,171	-	-
Impairment loss written back	-	-	-	(37,619,047)
Impairment loss on investment	-	-	-	2,000,000
Staff cost arising from ESOS Scheme	460,994	256,144	717,138	-
Unrealised (gain)/loss on foreign exchange	(378,041)	807,032	-	10,693
Operating profit/(loss) before working capital changes	79,454,466	102,056,153	1,716,265	(386,635)
Changes in inventories	(31,895,129)	(8,820,427)	-	-
Changes in receivables	2,087,195	946,717	(8,761,290)	2,581,117
Changes in payables	(9,400,392)	(8,449,015)	93,461	(2,861)
Cash from Operations	40,246,140	85,733,428	(6,951,564)	2,191,621
Interest paid	(6,380,168)	(5,675,567)	-	-
Tax paid	(12,601,928)	(6,876,692)	-	-
Net Cash from Operating Activities	21,264,044	73,181,169	(6,951,564)	2,191,621
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(15,299,871)	(27,195,599)	-	-
Proceeds from disposal of property, plant and equipment	-	237,775	-	-
Deposit paid	(70,000)	-	-	-
Dividend received	82,398	147,776	11,115,000	10,750,000
Interest received	92,993	48,924	-	-
Subscription of shares in subsidiary company	(2)	(2)	(2)	(504,999)
Net Cash (used in)/from Investing Activities	(15,194,482)	(26,761,126)	11,114,998	10,245,001

Statements of Cash Flows (cont'd)

for the year ended 31 December 2011

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash Flows from Financing Activities				
Issuance of shares under ESOS scheme	2,128,428	11,245,623	2,128,428	11,245,623
Repayment of hire-purchase and finance lease payables	(14,393,060)	(9,846,651)	-	-
Purchases of treasury shares	(678,919)	(1,216,022)	(678,919)	(1,216,022)
Dividends paid	(5,551,917)	(10,707,832)	(5,551,916)	(10,707,832)
(Repayment)/drawdown of bank borrowings	7,738,814	(9,552,770)	-	-
Holding/related companies' advances	-	-	-	(11,870,286)
Net Cash from Financing Activities	(10,756,654)	(20,077,652)	(4,102,407)	(12,548,517)
Net (Decrease)/Increase in Cash and cash equivalents	(4,687,092)	26,342,391	61,027	(111,895)
Cash and Cash Equivalents bought forward	60,386,409	34,044,018	12,426	124,321
Cash and Cash Equivalents carried forwards (Note 14)	55,699,317	60,386,409	73,453	12,426
Significant Non-Cash Transaction				
Significant non-cash transaction during the year consist of:				
- acquisition of property, plant and equipment under hire-purchase and finance lease	16,170,000	19,208,000	-	-

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements
31 December 2011

1 GENERAL

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 registered office of the Company is at PT 18374, Jalan Perusahaan 3, Kamunting Industrial Estate, 34600 Kamunting, Perak Darul Ridzuan.

The Company is principally involved in investment holding and trading of rubber gloves.

The principal activities of its subsidiary companies are disclosed in Note 7 below. There have been no significant changes in these principal activities during the financial year.

The financial statements of the Company have been authorised by the Board of Directors for issuance on 27 April 2012.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis Of Preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the accounting policies below, and comply with applicable MASB approved accounting standards in Malaysia for Entities Other Than Private Entities and provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with FRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4 to the financial statements.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2011, the Group and the Company adopted the following new and amended FRS and IC interpretations mandatory for the financial periods beginning on or after 1 January 2011.

FRSs, Amendments to FRSs and Interpretations

Revised FRSs	
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 2	Group Cash-settled-Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments

Notes to the Financial Statements (cont'd)
31 December 2011

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

2.2 Changes in Accounting Policies (cont'd)

FRSs, Amendments to FRSs and Interpretations (cont'd)

Revised FRSs (cont'd)

Amendments to FRS 132	Financial Instruments: Presentation (Classification of Right Issues)
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

Technical Release (TR)

TR3	Guidance on Disclosure of Transition to International Financial Reporting Standards

Adoption of the above standard and interpretations did not have any effect on the financial performance or position of the Group and the Company except as follows:-

(a) Amendments to FRS 7: Improving Disclosure about Financial Instruments.

The amended standard requires enhanced disclosures about fair value measurement and liquidity risk Fair value measurements related to financial instruments recorded at fair value are to be disclosed by source of input using a three-level fair value hierarchy (Level 1, Level 2 and Level 3). A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed as well. The amendments also clarify the requirements for liquidity management. The adoption of this amendment resulted in additional disclosures in the financial statements but did not have any material financial impact on the Group and the Company.

(b) Revised FRS 3 Business Combinations

Under the revised FRS 3, all acquisition-related costs are recognised as an expense in profit or loss in the period in which they are incurred. All considerations transferred, including contingent considerations, are measured at fair value as at the acquisition date. Any equity interests held prior to the date control is obtained and is re-measured at fair value, with the resulting gains or losses recognised in profit or loss. There is now an option on a case to case basis to measure non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the net identifiable assets of the assets acquired. Goodwill arising from the business combination is measured as the difference between the aggregate fair value of consideration transferred, any non-controlling interests in the acquiree and the fair value at acquisition date of any previously held equity interest in the acquiree, and the fair value of identifiable assets acquired and liabilities (including contingent liabilities) assumed at acquisition date.

(c) Revised FRS 127 Consolidated and Separate Financial Statements

The revised FRS 127 requires that changes in ownership interest which do not result in a loss of control be accounted for as equity transactions, instead of in profit or loss. Where changes in ownership interest results in loss of control, any remaining interest in the entity is re-measured at fair value and any resulting gains or losses is recognised in profit or loss. Total comprehensive income will be proportionately allocated to non-controlling interests, even if it results in the non-controlling interests being in a deficit position.

Notes to the Financial Statements (cont'd)

31 December 2011

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

2.3 Standards and Interpretations in Issued but not yet Effective

The Group and the Company have not applied the following new and revised FRSs and the Interpretations which have been issued by the MASB but are not yet effective for the Group and the Company are described hereunder:-

Descriptions	Effective for annual periods beginning on or after
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 March 2012
Amendments to FRS 7: Disclosures - Offsetting Financial Assets And Financial Liabilities	1 January 2012
Amendments to FRS 9, Financial Instruments (IFRS 9 issued by IASB In October 2010)	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures (Amendments to FRS 9 (IFRS 9 issued by IASB in November 2009))	1 March 2013
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of Interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 January 2012
Amendments to FRS 112: Deferred Tax Recovery of Underlying Assets	1 January 2012
FRS 113: Employee Benefits	1 January 2013
Amendments to FRS 124: Related Party Disclosures	1 January 2012
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associates and Joint Ventures	1 January 2013
FRS 132: Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 132)	1 January 2014
Amendments to IC Interpretation 14: Prepayments to a Minimum Funding Requirement	1 July 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

Notes to the Financial Statements (cont'd)

31 December 2011

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

2.3 Standards and Interpretations in Issued but not yet Effective (cont'd)

The Management does not anticipate that the adoption of these amendments, standards and interpretations to have any material impact on the financial statements in the period for initial application except for potential changes and new disclosure and presentation requirements as discussed below:

(a) Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

(b) Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled') to profit or loss at future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

(c) FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will potentially have no impact on classification and measurement of the Group's financial assets and liabilities.

(d) FRS 10: Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

(e) FRS 12: Disclosure on Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

(f) FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

(g) FRS 127: Separate Financial Statements

As consequence of the new FRS 10 and FRS 12, FRS 127 is limited to the accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

Notes to the Financial Statements (cont'd)
31 December 2011

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

2.4 Convergence of the FRS Framework in Malaysia with the IFRS Framework Issued by the IASB Malaysia Financial Reporting Standards (MFRS Frameworks)

On November 19, 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (MFRS Framework).

The MFRS Framework is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after January 1, 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year.

Accordingly, the Group and the Company, which are not Transitioning Entities, will be required to prepare financial statements using the MFRS Frameworks.

In presenting its first MFRS financial statements, the group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening undistributed income. The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements of the group and of the Company are prepared under the historical cost convention unless otherwise indicated in the accounting policies below.

b) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and its subsidiaries made up to the same financial year. Subsidiaries are companies in which the Group has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date control ceases. The financial statements of subsidiaries are prepared for the same reporting date as the Company, and uniform accounting policies are adopted in the financial statements for like transactions and events in similar circumstances. All inter-company balances, transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The cost of acquisition is measured as the aggregate of their fair values, at the date of exchange, of the assets given, liabilities (including contingent liabilities) incurred or assumed, and equity instruments issued. Acquisition-related costs are expensed as incurred. The excess of the acquisition cost over the Group's interest in the subsidiaries' fair values is reflected as goodwill, which is not amortised but reviewed for impairment loss, annually or more frequently if events of changes in circumstances indicate that the carrying amount may be impaired. The excess of the Group's interest in the subsidiaries' fair values over the acquisition cost represents negative goodwill, which is recognised directly in the income statement.

Material intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

Notes to the Financial Statements (cont'd)
31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Basis of Consolidation (cont'd)

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that is not held by the Group and is presented separately within equity in the consolidated statement of financial position. It is measured at the non-controlling interest's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interest's share of changes in the subsidiaries' equity since then.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its assets together with any unamortised balance of goodwill.

c) Change in Group Composition

Where a subsidiary issues new equity shares to non-controlling interest for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statements.

When the group purchases a subsidiary's equity share from non-controlling interest for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its non-controlling shareholders. Any difference between the Group's share of net assets before and after change, and any consideration received or paid, is adjusted to or against Group reserves.

d) Investment in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is taken up in the income statement.

e) Property, Plant And Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset.

Certain land and buildings of the Group are shown at 1995 valuation less subsequent depreciation and impairment losses. The Director have not adopted a policy of regular valuation, and have applied the transitional provisions of Financial Reporting Standard 116, Property, Plant and Equipment which permits these assets to be stated at their prevailing valuations less depreciation. The valuation was determined by independent professional valuers on the open market basis, and no later valuation was recorded.

Surplus arising from revaluation are dealt with the property revaluation reserve. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to the income statements.

Notes to the Financial Statements (cont'd)

31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Property, Plant And Equipment (cont'd)

Depreciation is calculated to write off the cost or valuation of property, plant and equipment to their residual values on the straight line method over their expected useful lives. Freehold land is not amortised. Other assets are depreciated on the straight line method at the following annual rates:

	%
Buildings	2
Plant and machinery	5 – 10
Motor vehicles	20
Office equipment and others	10 – 12
Equipment and tools	10
Renovation	10

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Capital work-in-progress comprise the cost of machinery and all other direct attributable costs for setting up of machinery for the treatment of latex examination and surgical gloves to reduce the levels of proteins and allergens to non detectable level to prevent users from having an allergic reaction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the assets is included in the income statement in the year in which the assets is derecognised.

f) Financial Assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial assets are classified as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Financial assets are initially recognised at fair value, plus directly attributable transaction cost except for financial assets at fair value through profit and loss, which are recognised at fair value. The Group determines the classification of its financial assets after initial recognition and where appropriate, re-evaluates this designation at each financial year end.

i) Financial assets at fair value through profit and loss

Financial assets held for trading are included in the category "financial assets at fair value through profit and loss and are classified as current assets. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through amortisation process.

Notes to the Financial Statements (cont'd)

31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Financial Assets (cont'd)

iii) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the group has a positive intention and ability to hold to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

iv) Available-for-sale financial assets

Available-for-sale category comprises investments in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliable measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair value with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains or losses arising from monetary items and gains or losses of hedged items attributable to hedged risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

A financial asset is derecognised when the contractual right to receive cash flow from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

g) Investment Securities

Investment securities are classified as financial assets at fair value through profit or loss.

h) Financial Liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group's and the Company's financial liabilities included borrowings, trade and other payables and advances. Trade and other payables are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received. Loans and borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when, and only when, the obligation under the liability is discharged or extinguished. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements (cont'd)

31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Lease

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at fair value of the lease asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit or loss.

Leased assets are depreciated over the estimated useful lives of the assets concerned.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

j) Other investments

Other investments are stated at cost less impairment losses.

k) Impairment of Non-financial Assets

The carrying amounts of the Group's and of the Company's assets are reviewed for impairment losses when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying amounts of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately.

Reversal of impairment losses recognised in prior year is recorded where there is indication that the impairment losses recognised for the assets no longer exist or have decreased. The reversal is recognised to the extent of the asset's carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised. The reversal is recognised in the income statement immediately.

An impairment loss in respect of goodwill is not reversed unless the loss is caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

l) Inventories

The cost of raw materials comprises costs of purchase plus cost of bringing these inventories to the present location. The cost of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads are stated at the lower of cost, determine on the "weighted average" method, and net realisable value.

m) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

n) Equity Instrument

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period that they are declared.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are reclassified as treasury shares and are presented as a deduction from total equity.

Notes to the Financial Statements (cont'd)
31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Equity Instrument (cont'd)

Where treasury shares are distributed as share dividend, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable cost and carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

o) Earnings per Ordinary Share

The Group presents basic and diluted earnings per ordinary share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit of loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

p) Income Tax

Tax on the profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided, using the liability method, on all material temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

q) Employee Benefits

i) Short term benefits

Wages, salaries, 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 and of the Company. 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expense in the income statement in the year to which they relate.

iii) ESOS

The Company's Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company and its subsidiary companies' employees to acquire ordinary shares of the Company.

Notes to the Financial Statements (cont'd)

31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

q) Employee Benefits (cont'd)

iii) ESOS (cont'd)

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the statement of comprehensive income over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted and the number of share options to be vested by vesting date. At each statement of financial position date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. For options granted by the Company to its subsidiaries' employees, the expense will be recognised in the subsidiaries' financial statements over the vesting periods of the grant.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

r) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from the sale of goods and services is recognised upon delivery of goods sold and completion of services rendered. Rental and interest income is recognised on accrual basis when the right to received payment is established. Dividend income is recognised on receipt basis.

s) Foreign Currency Transactions

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All transactions are recorded in Ringgit Malaysia.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries are recorded on initial recognition in the functional currencies at exchange rate approximating those ruling at the transaction dates. All exchange gains and losses are dealt with in the income statement.

Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the rate ruling at the balance sheet date. All resulting exchange differences are dealt with in the income statement.

Non monetary items are measured in term of historical cost in a foreign currency or translated using the exchange rates as at the date of the initial transaction. Non monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined.

Notes to the Financial Statements (cont'd)

31 December 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

s) Foreign Currency Transactions (cont'd)

The closing rates used in the translation of foreign currency monetary liabilities are as follows:

	2011 RM	2010 RM
1 United States Dollar	3.08	3.51
1 Euro	4.08	4.96

t) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group and the Company have become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest, dividends, gains and losses relating to the financial instruments classified as liability, are reported as expense or income. Distribution to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group and he Company have a legally enforceable right to offset and intends to settle either on a net basis or to realise the assets and settle the liability simultaneously.

The accounting policies for financial instruments recognised on the statement of financial position are disclosed in the individual policy statements associated with each item.

The fair values of the financial assets and financial liabilities reported in the statements of financial position as at 31 December 2011 approximate the carrying amounts of these assets and liabilities because of the immediate or short-term maturity of these financial instruments, except for amounts due from subsidiary companies.

It is not practical to estimate the fair value of subsidiaries' balances due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive cost. However, the Group and the Company do not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

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

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimated the useful lives of these assets to be between 5 to 99 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Notes to the Financial Statements (cont'd)
31 December 2011

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Impairment of property, plant and equipment and intangible assets.

The Group carries out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit ("CGU") to which the property, plant and equipment and intangible assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Recoverability of receivables

The Group makes allowances for doubtful debts based on an assessment of the recoverability of receivables. Allowances for doubtful debts is provided where event or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the estimation is different from the original estimate, such difference will impact the carrying values of the receivables and doubtful debts expenses in the period in which such estimate has been changed.

Net realisable values of inventories

The management reviews for slow-moving and obsolete inventories. This review requires judgement and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of its businesses and has adopted risk management policies that seek to mitigate these risks in a cost-effective manner.

Foreign exchange risk

The Group is exposed to foreign currency risk as a result of its normal trade activities when the currency denomination differs from its functional currency. The currency giving rise to this risk is primarily the United States Dollar. Exposure to foreign currency risk is monitored on an ongoing basis to keep its exposure to an acceptable level.

The net unhedged financial assets of the Group that are not denominated in its functional currency are as follows:

	United States Dollar RM	Euro RM
As at 31 December 2011		
Trade receivables	23,922,645	-
Bank balance	37,379,879	242
Trade payables	14,371,910	-
As at 31 December 2010		
Trade receivables	21,339,540	-
Bank balance	13,911,917	1,076
Trade payables	10,779,129	-

Notes to the Financial Statements (cont'd)
31 December 2011

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Interest rate risk

The Group finances its operations through operating cash flows and borrowings which are principally denominated in Ringgit Malaysia. The Group is exposed to interest rate risk primarily from deposit placements and interest-bearing financial liabilities. The Group manages its interest rate risk for the interest-earning deposit placements by placing such balance on varying maturities and interest rate terms.

The Group's policy in dealing with interest-bearing financial liabilities is to minimise the interest expense by obtaining the most favourable interest rates available and to derive the desired interest rate profile through a mix of fixed and floating rate banking facilities.

Credit risk

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

Liquidity risk and cash flow risk

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The Group reviews its cash flow position regularly to manage its exposure to fluctuation in future cash flows associated with its monetary financial instruments.

Notes to the Financial Statements (cont'd)
31 December 2011

6 PROPERTY, PLANT AND EQUIPMENT

	As at 01.01.2011 RM	Additions RM	Disposals RM	As at 31.12.2011 RM
COST/VALUATION				
At Valuation				
Leasehold buildings	6,467,430	-	-	6,467,430
Leasehold land	6,922,426	-	-	6,922,426
	13,389,856	-	-	13,389,856
At Cost				
Freehold land	856,621	18,153	-	874,774
Leasehold buildings	50,133,029	4,021,461	-	54,154,490
Plant and machinery	206,245,695	28,176,820		234,422,515
Office equipment and others	2,210,642	324,187	-	2,534,829
Renovation	334,751	7,400	-	342,151
Motor vehicles	2,575,236	141,400		2,716,636
Equipment and tools	70,616	277,121	-	347,737
Capital work-in-progress	1,496,671	728,950	(2,225,621)	-
	277,313,117	33,695,492	(2,225,621)	308,782,988
ACCUMULATED DEPRECIATION				
At Valuation				
Leasehold buildings	1,918,669	-	-	1,918,669
Leasehold land	795,417	-	-	795,417
	2,714,086	-	-	2,714,086
At Cost				-
Freehold land	-	-	-	-
Leasehold buildings	6,364,870	1,256,579	-	7,621,449
Plant and machinery	51,024,466	11,130,348	-	62,154,814
Office equipment and others	681,445	294,689	-	976,134
Renovation	255,617	13,496	-	269,113
Motor vehicles	1,342,771	437,779	-	1,780,550
Equipment and tools	2,737	31,045	-	33,782
Capital work-in-progress	-	-	-	-
	62,385,992	13,163,936	-	75,549,928

Notes to the Financial Statements (cont'd)

31 December 2011

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	2011 RM	2010 RM
NET BOOK VALUE		
At Valuation		
Leasehold buildings	4,548,761	4,548,761
Leasehold land	6,127,009	6,127,009
	10,675,770	10,675,770
At Cost		
Freehold land	874,774	856,621
Leasehold buildings	46,533,041	43,768,159
Plant and machinery	172,267,701	155,221,229
Office equipment and others	1,558,695	1,529,197
Renovation	73,038	79,134
Motor vehicles	936,086	1,232,465
Equipment and tools	313,955	67,879
Capital work-in-progress	-	1,496,671
	233,233,060	214,927,125

(a) Net carrying amount of property, plant and equipment held under hire-purchase and finance lease arrangements are as follows:

	2011 RM	2010 RM
Motor vehicles	854,465	1,039,866
Plant and machinery	72,202,292	59,792,708
Total	73,056,757	60,832,574

Notes to the Financial Statements (cont'd)
31 December 2011

7 INVESTMENT IN SUBSIDIARIES

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Unquoted shares, at cost	-	-	68,085,444	67,580,445
Add:				
Additions	-	-	2	504,999
	-	-	68,085,446	68,085,444
Less:				
Impairment losses				
Balance 1 January	-	-	2,696,387	38,315,434
Addition	-	-	-	2,000,000
Reversal of impairment loss	-	-	-	(37,619,047)
	-	-	2,696,387	2,696,387
	-	-	65,389,059	65,389,057
Add:				
Balance 1 January	-	-	256,144	-
Equity contribution arising from ESOS scheme	-	-	(256,144)	256,144
	-	-	-	256,144
Net balance at 31 December	-	-	65,389,059	65,645,201

The details of the subsidiaries are as follows:-

Company's name	Country of Incorporation	Effective interest 2011 %	Effective interest 2010 %	Principal activities
Latexx Manufacturing Sdn. Bhd.	Malaysia	100	100	Manufacturing of rubber gloves
Medtexx Manufacturing Sdn. Bhd.	Malaysia	100	100	Trading of rubber gloves and letting of glove manufacturing plant and machinery
Total Glove Company Sdn. Bhd.	Malaysia	50.01	50.01	Treating and processing of natural rubber latex examination and surgical gloves
Worldmed Manufacturing Sdn. Bhd.	Malaysia	100	100	Trading of rubber gloves
Latexx Manpower Services Sdn. Bhd.	Malaysia	100	-	Provision of manpower services

During the year, the Company acquired 100% equity interest in Latexx Manpower Services Sdn. Bhd. for cash consideration of RM2.

Notes to the Financial Statements (cont'd)
31 December 2011

8 OTHER INVESTMENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Available-for-sale financial assets:				
Quoted shares in Malaysia, at cost	5,293,900	5,293,900	5,293,900	5,293,900
Less: Impairment loss	(5,293,899)	(5,293,899)	(5,293,899)	(5,293,899)
Net balance	1	1	1	1
Market value	18,150	6,050	18,150	6,050

9 GOODWILL ON CONSOLIDATION

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Gross balance	20,569,336	20,569,336	-	-
Less:				
Cumulative amortisation	(198,563)	(198,563)	-	-
Balance as at 31 December	20,370,773	20,370,773	-	-

10 INVENTORIES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
At cost:				
Raw materials	13,578,219	10,950,068	-	-
Packing materials	7,837,829	5,795,438	-	-
Finished goods	19,681,841	17,894,077	-	-
Work-in-progress	38,034,886	12,598,063	-	-
	79,132,775	47,237,646	-	-

11 RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade				
Trade receivables	51,283,719	54,016,137	574,306	450,684
Less: Allowance for doubtful debts	(614,689)	(614,689)	-	-
	50,669,030	53,401,448	574,306	450,684

Notes to the Financial Statements (cont'd)

31 December 2011

11 RECEIVABLES (CONT'D)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Non-trade				
Deposits	822,839	1,196,574	21,886	27,485
Prepayments	2,909,128	1,379,354	42,402	15,869
Other receivables	267,844	265,618	5,553,152	2,152
	3,999,811	2,841,546	5,617,440	45,506
Total	54,668,841	56,242,994	6,191,746	496,190

(a) The currency profiles of receivables are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade				
- Ringgit Malaysia	2,458,150	4,947,059	574,306	450,684
- United States Dollar	48,210,880	48,454,389	-	-
	50,669,030	53,401,448	574,306	450,684
Non-trade				
- Ringgit Malaysia	3,999,811	2,841,546	5,617,440	45,506
- United States Dollar	-	-	-	-
	3,999,811	2,841,546	5,617,440	45,506

(b) The Group's and the Company's normal credit terms range from 60 – 90 days. Other credit terms are assessed and approved on case-by-case basis.

(c) The ageing analysis of trade receivables of the Group are as follows:-

	Group	
	2011	2010
	RM	RM
Neither past due nor impaired	41,231,490	43,550,101
Past due, not impaired		
61 - 90 days	7,364,183	6,859,874
More than 91 days	2,073,357	2,991,473
	9,437,540	9,851,347
Past due and impaired	614,689	614,689
	51,283,719	54,016,137

Notes to the Financial Statements (cont'd)
31 December 2011

11 RECEIVABLES (CONT'D)

Receivables that neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy trade receivables with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM9,437,540 (2010: RM9,851,347) that past due at the end of the reporting period but not impaired. Trade receivables of the Group that are past due but not impaired are unsecured in nature. The Group closely monitors the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period had been individually impaired.

The reconciliation of movement in the impairment loss is as follows:

	Group	
	2011 RM	2010 RM
At 1 January	614,689	5,291,634
Charge for the financial year	-	614,689
Written off	-	(5,291,634)
As 31 December	614,689	614,689

The receivables that are individually determined to be impaired at the end of the reporting period relate to those trade receivables that exhibit significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

12 AMOUNT DUE FROM SUBSIDIARIES

The amount due from subsidiaries which arose mainly out of unsecured advances, are interest-free and repayable on demand.

13 HELD FOR TRADING FINANCIAL ASSETS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Unit trust, at cost	206,480	16,406,480	-	-
Market price	202,591	14,852,591	-	-

Notes to the Financial Statements (cont'd)
31 December 2011

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Deposits with licensed banks	15,507,545	4,024,950	-	-
Cash and bank balances	39,985,292	39,954,979	73,453	12,426
	55,492,837	43,979,929	73,453	12,426
Held for trading financial assets (Note 12)	206,480	16,406,480	-	-
Net balance	55,699,317	60,386,409	73,453	12,426

The currency profile of cash and cash equivalents is as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balances				
Ringgit Malaysia	18,112,716	30,066,936	73,453	12,393
United States Dollar	37,379,879	13,911,917	-	33
Euro	242	1,076	-	-
	55,492,837	43,979,929	73,453	12,426
Held for trading financial assets				
- Ringgit Malaysia	206,480	16,406,480	-	-
	55,699,317	60,386,409	73,453	12,426

The average interest rates of the Company's deposits with licensed banks range from 2.25% to 3.10% (2010: 2.3% to 2.6%) per annum with an average maturity period of 1 year.

15 SHARE CAPITAL

	2011		2010	
	No of Shares	Value RM	No of Shares	Value RM
Group and Company				
a) Authorised:				
Ordinary shares of RM0.50 each	400,000,000	200,000,000	400,000,000	200,000,000
b) Issued and fully paid:				
Ordinary shares ofRM0.50 each:				
At 1 January	218,823,670	109,411,835	197,605,513	98,802,757
- Issued pursuant to warrants exercised	4,016,000	2,008,000	21,218,157	10,609,078
At 31 December	222,839,670	111,419,835	218,823,670	109,411,835

Notes to the Financial Statements (cont'd)
31 December 2011

15 SHARE CAPITAL (CONT'D)

(a) During the financial year, 4,016,000 new ordinary shares of RM0.50 each were issued by the Company for cash consideration arising from the exercise of warrants at an exercise price of RM0.53 per share. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

(b) Treasury Shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Extraordinary General Meeting held on 18 June 2010. During the Annual General Meeting held on 18 June 2011, the shareholders approved the renewal of authority for the Company to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 385,700 (2010: 353,500) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.76 (2010: RM3.44) per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. There was no resale or cancellation of treasury shares during the financial year.

As at 31 December 2011, the Company held as treasury shares a total of 739,300 (2010: 353,500) of its 222,839,670 (2010: 218,823,670) issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,894,941 (2010: RM1,216,022).

(c) Employee Share Option Scheme

The Company's Employee Share Option Scheme ("ESOS") is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 16 June 2010.

The main features of the ESOS are as follows:-

(i) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS which shall be in force for a period of five (5) years commencing from 28 June 2010 and may be extended for a further period of up to five (5) years.

(ii) Eligible persons are those directors holding full time executive positions as at date of offer, involved in the day-to day management and on the payroll of the Group who are specifically approved as eligible to participate in the ESOS by the Company in general meeting and are not prohibited or disallowed by the relevant authorities or laws from participating in the ESOS or employees who have been confirmed of continuous service in the Group (including a foreign employee who is not a contract employee of the Group) as at the date of offer.

(iii) The option price of each share shall be based on the 5-day weighted average market price of the underlying shares immediately prior to the offer date with a discount of not more than ten per centum (10%), if deemed appropriate, or the par value of the Company's shares, whichever is the higher. The option price shall be subject to certain adjustments in accordance with provisions under the by-laws.

Notes to the Financial Statements (cont'd)

31 December 2011

15 SHARE CAPITAL (CONT'D)

(c) Employee Share Option Scheme (cont'd)

(iv) The selection of the eligible employees to subscribe for ordinary shares of the Company and the allocation of shares thereafter shall be at the discretion of the ESOS Committee subject to the following:-

Not more than fifty percent (50%) of the shares available under the ESOS should be allocated, in aggregate, to the executive directors and senior management of the Group;

Not more than ten percent (10%) of the shares available under the ESOS should be allocated to any individual director or employee, who, either singly or collectively through persons connected with him/her holds 20% or more of the issued and paid-up capital of the Company; and

Subject always to the By-Laws, the number of new shares that may be offered and allotted to any selected employee under the ESOS shall be at the absolute discretion of the ESOS Committee after taking into consideration the job grade, seniority, performance and length of service of the selected employee in the Group.

(v) No option shall be granted for less than 100 ordinary shares and shall be granted in multiples of 100 ordinary shares only.

(vi) The option is personal to the grantee and is not to be assigned, transferred, charged or disposed off.

(vii) The shares to be allocated and upon any exercise of the option will, upon allotment and issue, rank pari passu in all respects with the then existing issued shares of the Company except that they shall not rank for any dividends, rights or other distributions declared, made or paid to shareholders prior to the date of allotment.

The details of the options offered to take up unissued ordinary shares of RM0.50 each of the Company and the option prices are as follows:

		No. of options over ordinary shares of RM0.50 each				
Grant Date	**Exercise Price RM/share**	**Balance at 01.01.2011**	**Granted**	**Exercised**	**Lapsed**	**Balance at 31.12.2011**
12.07.2010	3.19	7,033,000	-	-	(2,271,000)	4,762,000
04.10.2011	1.19	-	3,895,000	-	(10,000)	3,885,000
		7,033,000	3,895,000	-	(2,281,000)	8,647,000

Notes to the Financial Statements (cont'd)
31 December 2011

15 SHARE CAPITAL (CONT'D)

(c) Employee Share Option Scheme (cont'd)

The details of the options offered to take up unissued ordinary shares of RM0.50 each of the Company and the option prices are as follows: (cont'd)

Fair value of the share options (2010 ESOS)

The fair value of the options granted was estimated using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	Share options granted on 12.07.2010	Share options granted on 04.10.2011
Share price	RM3.54	RM1.32
Exercise price	RM3.19	RM1.19
Expected volatility	30%	30%
Expected life	5 years	4 years
Risk-free rate	2.90%	2.90%
Expected dividend yield rate	2.10%	3.79

The expected life of the options is based on historical data and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(a) Warrants

Pursuant to a deed poll dated 6 April 2007 ("Deed Poll"), the Company has issued 80,151,858 free detachable warrants ("Warrants") pursuant to a Debt Settlement and Placement exercise.

The salient features of the Warrants as stated in the Deed Poll are as follows:-

(i) Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one (1) new ordinary share at an exercise price of RM0.53 per ordinary share.

(ii) The exercise price and number of Warrants are subject to adjustment in accordance with the conditions provided in the Deed Poll.

(iii) In the case of winding up of the Company, all Subscription Rights which have not been exercised within six (6) weeks of the passing of such resolution of granting of the court order shall lapse and the Warrants will cease to be valid for any purpose.

(iv) The exercise period is 10 years from the date of issue to expire on 6 June 2017.

(v) Upon expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

The Warrants were granted for listing and quotation with effect from 12 June 2007. There were 4,016,000 warrants being exercised during the financial year ended 31 December 2011.

Notes to the Financial Statements (cont'd)
31 December 2011

16 RESERVES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Non-distributable				
(i) Share premium:				
At 1 January	1,463,731	827,186	1,463,731	827,186
Add:				
Increase during the year	120,480	636,545	120,480	636,545
	1,584,211	1,463,731	1,584,211	1,463,731
(ii) Property revaluation reserve:	792,252	792,252	-	-
(iii) ESOS reserve				
Equity contribution arising from ESOS scheme	717,138	256,144	717,138	256,144
Distributable				
(iv) Retained profits	153,004,213	124,075,764	37,100,229	36,090,579
Total	156,097,814	126,587,891	39,401,578	37,810,454

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013. During the transitional period, the Company may utilised the tax credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act, 2007.

However, the Company has elected to discontinue utilising its tax credit under Section 108 of the Income Tax Act, 1967 with effect from the last financial year. Accordingly, tax on the Company's profits is a final tax, and dividends distributed to shareholders will be exempted from tax.

17 HIRE-PURCHASE AND FINANCE LEASE PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Gross hire purchase payables	53,509,939	52,349,830	-	-
Less: Unexpired interest	(5,118,016)	(5,734,847)	-	-
Principal portion	48,391,923	46,614,983	-	-

Notes to the Financial Statements (cont'd)
31 December 2011

17 HIRE-PURCHASE AND FINANCE LEASE PAYABLES (CONT'D)

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Payable within twelve months	15,984,084	12,499,533	-	-
Payable after twelve months				
- between 1 - 2 years	13,436,245	13,027,010	-	-
- between 2 - 5 years	18,971,594	21,088,440	-	-
	32,407,839	34,115,450	-	-
	48,391,923	46,614,983	-	-

The effective interest rates for the above hire-purchase and finance lease facilities ranged from 4.09% - 7.42% (2010: 4.09% to 7.42%) per annum.

18 BORROWINGS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current				
Bankers' acceptance	34,581,858	21,774,542	-	-
Term loans	6,780,258	6,045,802	-	-
	41,362,116	27,820,344	-	-
Non-current				
Term loans	11,669,294	17,472,252	-	-
Total				
Bankers' acceptance	34,581,858	21,774,542	-	-
Term loans	18,449,552	23,518,054	-	-
	53,031,410	45,292,596	-	-

The above facilities are obtained from commercial banks which bear interest ranging from 3.71% to 8.35% (2010: 3.45% to 7.22%) per annum.

The term loans are secured by a specific debenture charge over certain plant and machinery belongs to a subsidiary company and corporate guarantee of the Company.

Notes to the Financial Statements (cont'd)

31 December 2011

19 DEFERRED TAX LIABILITIES

	Accelerated Capital Allowances RM	Revaluation of Land Building RM	Total RM
2011			
Balance as at 1 January 2011	8,501,975	862,816	9,364,791
Transferred from income statement	2,299,634	-	2,299,634
Balance as at 31 December 2011	10,801,609	862,816	11,664,425
2010			
Balance as at 1 January 2010	451,286	862,816	1,314,102
Transferred from income statement	8,050,689	-	8,050,689
Balance as at 31 December 2010	8,501,975	862,816	9,364,791

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:-

	2011 RM	2010 RM
Deferred tax liabilities	10,801,609	8,816,272
Deferred tax assets	-	(314,297)
Presented after appropriate offsetting	10,801,609	8,501,975

a) Deferred tax liabilities

	Accelerated Capital Allowances	
	2011 RM	2010 RM
At 1 January	8,816,272	5,864,857
Add: Recognised in the income statement	1,547,342	2,951,415
At 31 December	10,363,614	8,816,272

	Unrealised Gain on Foreign	
	2011 RM	2010 RM
At 1 January	-	-
Add: Recognised in the income statement	437,995	-
At 31 December	437,995	-

Notes to the Financial Statements (cont'd)
31 December 2011

19 DEFERRED TAX LIABILITIES (CONT'D)

a) Deferred tax liabilities (cont'd)

	Grand total 2011 RM	Grand total 2010 RM
At 1 January	8,816,272	5,864,857
Add: Recognised in the income statement	1,985,337	2,951,415
At 31 December	10,801,609	8,816,272

b) Deferred tax assets:

	Unabsorbed Tax Losses 2011 RM	Unabsorbed Tax Losses 2010 RM
At 1 January	-	(5,413,571)
Add: Recognised in the income statement	-	5,413,571
At 31 December	-	-

	Unrealised Loss on Foreign Exchange 2011 RM	Unrealised Loss on Foreign Exchange 2010 RM
At 1 January	(314,297)	-
Add: Recognised in the income statement	314,297	(314,297)
At 31 December	-	(314,297)

	Grand total 2011 RM	Grand total 2010 RM
At 1 January	(314,297)	(5,413,571)
Add: Recognised in the income statement	314,297	5,099,274
At 31 December	-	(314,297)

Notes to the Financial Statements (cont'd)

31 December 2011

20 PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade				
Trade payables	40,253,309	46,904,977	-	-
Non-trade				
Accruals	4,350,187	4,076,314	39,359	27,237
Amount owing to related Company	368	169	368	169
Deposit received	200,000	200,000	-	-
Other payables	5,111,081	8,133,882	148,729	67,591
	9,661,636	12,410,365	188,456	94,997
Total	49,914,945	59,315,342	188,456	94,997

The currency profiles of payables are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade				
- Ringgit Malaysia	25,881,401	36,125,847	-	-
- United States Dollar	14,371,908	10,779,130	-	-
	40,253,309	46,904,977	-	-
Non-trade				
- Ringgit Malaysia	9,661,636	12,410,365	-	94,997
- United States Dollar	-	-	-	-
	9,661,636	12,410,365	-	94,997

The normal credit terms granted to the Group and the Company by trade creditors ranged from 30 to 120 days.

Included in trade payables is an amount of nil (2010: RM16,321,730), arising from purchase of raw materials, owing to a related party, Gunung Resources Sdn. Bhd.

21 REVENUE

The revenue of the Group and of the Company represents sales of rubber gloves at gross invoiced value net of discounts and returns during the financial year.

Notes to the Financial Statements (cont'd)

31 December 2011

22 FINANCE COSTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Bankers' acceptance interest	1,396,844	943,871	-	-
Bank overdraft interest	1,546	3,423	-	-
Hire-purchase interest	3,287,781	2,754,602	-	
Term loan interest	1,693,997	2,002,275	-	-
	6,380,168	5,704,171	-	-

23 PROFIT BEFORE TAXATION

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
This is stated after charging/(crediting):-				
Amortisation of long leasehold land	81,156	137,455	-	-
Audit fee - current year	138,500	113,500	38,000	25,000
- non-statutory audit	12,000	-	12,000	-
Bad debts written off	2,000	614,689	2,000	-
Depreciation of property, plant and equipment	13,082,780	10,768,690	-	-
Directors' salaries and other emoluments	2,469,130	2,097,650	33,500	24,250
Directors' fees	90,000	75,000	90,000	75,000
(Gain)/Loss on foreign exchange	(2,613,778)	7,058,471	47,245	519,992
Hire of machinery	25,971	47,306	-	-
Hostel rental	-	185,450	-	-
Impairment loss on investment	-	-	-	2,000,000
Management fee	-	-	-	75,336
Rental of premises	206,790	900	-	-
Dividend income	(82,398)	(147,776)	(11,115,000)	(10,750,000)
Impairment loss written back	-	-	-	(37,619,047)
Short term deposits interest income	(94,647)	(48,924)	(1,654)	(194)
Gain on disposal of property plant and equipment	-	(76,300)	-	-

Notes to the Financial Statements (cont'd)

31 December 2011

23 PROFIT BEFORE TAXATION (CONT'D)

The director's remuneration is analysed as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Executive directors:				
- fees	-	-	-	-
- salaries and other emoluments	2,443,130	2,077,900	7,500	4,500
	2,443,130	2,077,900	7,500	32,000
Non-executive directors:				
- fees	90,000	75,000	90,000	75,000
- salaries and other emoluments	26,000	19,750	26,000	19,750
	116,000	95,750	116,000	94,750
	2,559,130	2,172,650	123,500	99,250

The number of directors of the Company whose total remuneration during the year fall within the following bands is analysed below:

	Group		Company	
	2011	2010	2011	2010
Executive directors:				
Below RM50,000	-	-	1	1
RM50,001 - RM100,000	1	-	-	-
RM250,001 – RM300,000	1	-	-	-
RM400,001 – RM450,000	1	-	-	-
RM550,001 - RM600,000	-	1	-	-
RM1,400,000 – RM1,450,000	-	1	-	-
RM1,650,001 – RM1,700,000	1	-	-	-
	4	2	1	1
Non-executive directors:				
Below RM50,000	3	3	3	3
	7	5	4	4

The estimated monetary value of benefit-in-kind receivable by the directors during the financial year is RM 28,000 (2010: RM 28,000).

Notes to the Financial Statements (cont'd)
31 December 2011

24 TAXATION

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Tax expense for the year	8,560,457	10,548,530	-	-
Under provision in prior year	9,109,832	-	49	-
Transferred to deferred tax liabilities	2,299,634	8,050,689	-	-
Total	19,969,923	18,599,219	49	-

Reconciliation of income tax expense:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit before taxation	60,002,800	84,053,526	12,114,127	45,971,719
Income tax at Malaysian tax rate of 25% (2010: 25%)	15,000,700	21,013,382	3,028,532	11,492,929
Effect of tax incentive claimed during the year	(2,220,395)	(3,222,691)	(3,123,756)	-
Expenses not deductible for tax purposes	460,260	915,723	95,224	718,777
Income not subject to tax	(401,245)	(36,944)	-	-
Utilisation of deductible temporary differences not			-	
recognised in prior years	(1,979,229)	(70,251)	-	(12,211,706)
	10,860,091	18,599,219	-	-
Under provision in prior year	9,109,832	-	49	-
Total tax expense	19,969,923	18,599,219	49	-

25 EARNINGS PER ORDINARY SHARE

a) Basic Earnings Per Ordinary Share

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2011	2010
Profit attributable to ordinary equity holders of the Company (RM)	40,032,877	65,454,307
Weighted average number of ordinary shares in issue	221,957,671	209,720,479
Basic earnings per share (sen)	18.04	31.21

Notes to the Financial Statements (cont'd)

31 December 2011

25 EARNINGS PER ORDINARY SHARE (CONT'D)

b) Diluted Earnings Per Ordinary Share

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of share options attributed to unexercised warrants issued by the Company.

	Group	
	2011	2010
Profit attributable to ordinary equity holders of the Company (RM)	40,032,877	65,454,307
Weighted average number of ordinary shares in issue	263,996,874	265,177,099
Diluted earnings per share (sen)	15.16	24.68

26 CONTINGENT LIABILITES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
(a) Secured:				
Corporate guarantee in respect of banking facilities granted to a subsidiary	-	-	15,500,000	15,500,000
(b) Unsecured:				
Corporate guarantee in respect of banking facilities granted to a subsidiary	-	-	182,625,000	159,950,000
Corporate guarantee in respect of supplier's credit facilities granted to a subsidiary	-	-	2,000,000	2,000,000

27 CAPITAL COMMITMENTS

The amount of commitments as at 31 December 2011 is as follows:

	Group	
	2011 RM	2010 RM
Approved capital expenditure:		
a) contracted for:		
- plant and machinery	-	508,562
- leasehold land and building	4,412,000	-
b) not contracted for:		
- Leasehold land	-	17,400,000

Notes to the Financial Statements (cont'd)

31 December 2011

28 EMPLOYEE INFORMATION

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Staff costs:				
Salaries, allowance and overtime	29,649,646	28,921,861	-	-
Defined contribution plan	929,623	938,431	-	-
Other employee benefits	533,519	834,913	-	-
	31,112,788	30,695,205	-	-
Number of employees	2,119	1,998	-	-

29 RELATED PARTY TRANSACTIONS

Significant related party transactions during the year consist of:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Transactions with other related parties				
- Dividend received from Latexx Manufacturing Sdn Bhd.	-	-	11,115,000	10,750,000
- Purchases of goods from Latexx Manufacturing Sdn. Bhd.	-	-	8,875,426	61,687,805
- Purchases of raw materials from Gunung Resources Sdn. Bhd.	-	63,299,248	-	-

30 SEGMENTAL INFORMATION

Segmental information is not presented as the Group is primarily engaged in only one core business segment which is manufacturing and sale of examination rubber gloves and operates principally in Malaysia.

31 CAPITAL MANAGEMENT

The Group considers its capital to comprise its ordinary share capital, retained earnings and distributable reserves.

The Group's objectives when managing its capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order achieve this objective, the Group seeks to balance risk and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic needs. Where necessary, adjustments to the amount of dividends paid to shareholders or the issuance of new shares may be considered.

There have been no significant changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group consider to be its capital.

Notes to the Financial Statements (cont'd)

31 December 2011

32 SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 December, 2011, into realised and unrealised profits is presented in accordance with the directive issued by the Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, is as follows:

	The Group RM	The Company RM
Total retained profits:-		
- realised	150,896,522	37,091,136
- unrealised	2,107,691	9,093
(in respect of deferred tax recognised in the statement of comprehensive income)		
Total retained profits	153,004,213	37,100,229

Analysis of Shareholdings

As at 2 May 2012

Authorised Share Capital	: RM200,000,000 divided into 400,000,000 Ordinary Shares of RM0.50 each
Issued and Paid-up Share Capital	: RM111,419,835 comprising 222,839,670 Ordinary Shares of RM0.50 each
Adjusted Issued and Paid-up Share Capital (after deducting treasury shares pursuant to Section 67A of the Companies Act, 1965)	: RM111,050,235 comprising 222,100,470 Ordinary Shares of RM0.50 each
Class of Securities	: Ordinary Shares of RM0.50 each
Voting Rights	: One vote for every Ordinary Share
No. of Shareholders/Depositors	: 10,500

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shareholders	%
Less than 100	20	0.19	559	0.00
100 to 1,000	2,751	26.20	2,657,576	1.20
1,001 to 10,000	6,009	57.23	27,172,157	12.23
10,001 to 100,000	1,553	14.79	46,652,194	21.01
100,001 to less than 5% of issued shares	164	1.56	62,527,527	28.15
5% and above of issued shares	3	0.03	83,090,457	37.41
Total	10,500	100.00	222,100,470	100.00

LIST OF THIRTY (30) LARGEST SHAREHOLDERS / DEPOSITORS

	Name	No. of Shares	%^
1.	BT Capital Sdn Bhd	49,571,600	22.32
2.	Lembaga Tabung Haji	18,048,000	8.13
3.	Low Bok Tek	15,470,857	6.97
4.	Best Time Venture Sdn Bhd	6,335,490	2.85
5.	SJ Sec Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Syed Abu Hussin bin Hafiz Syed Abdul Fasal*	3,293,400	1.48
6.	Koperasi Permodalan Felda Malaysia Berhad	2,030,600	0.91
7.	Best Time Venture Sdn Bhd	1,938,800	0.87
8.	Tan You Loon	1,904,400	0.86
9.	Koperasi Permodalan Felda Malaysia Berhad	1,501,000	0.68
10.	Koperasi Permodalan Felda Malaysia Berhad	1,460,300	0.66
11.	Cartaban Nominees (Asing) Sdn Bhd *Beneficiary : Exempt An for Barclays Bank PLC, Singapore*	1,223,900	0.55
12.	Citigroup Nominees (Asing) Sdn Bhd *Beneficiary : CBNY for Dimensional Emerging Markets Value Fund*	1,151,800	0.52

Analysis of Shareholdings (cont'd)

As at 2 May 2012

LIST OF THIRTY (30) LARGEST SHAREHOLDERS / DEPOSITORS (CONT'D)

	Name	No. of Shares	%^
13.	SJ Sec Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Nasri binti Hashim*	1,084,200	0.49
14.	Cartaban Nominees (Asing) Sdn Bhd *Beneficiary : Exempt An for Raffles Nominees (P) Ltd*	1,060,000	0.48
15.	Cartaban Nominees (Asing) Sdn Bhd *Beneficiary : Brown Brothers Harriman Luxembourg for Osterreichische Volksbanken Ag*	1,000,000	0.45
16.	Maybank Nominees (Tempatan) Sdn Bhd *Beneficiary : Low Bok Sang*	950,000	0.43
17.	Maybank Nominees (Tempatan) Sdn Bhd *Beneficiary : Law Siau Woei*	890,000	0.40
18.	DB (Malaysia) Nominee (Asing) Sdn Bhd *Beneficiary : Deutsche Bank Ag London*	794,781	0.36
19.	Lim Khuan Eng	793,300	0.36
20.	Koperasi Permodalan Felda Malaysia Berhad	749,300	0.34
21.	HSBC Nominees (Asing) Sdn Bhd *Beneficiary : Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)*	728,600	0.33
22.	Public Invest Nominees (Tempatan) Sdn Bhd *Beneficiary : Exempt An for Phillip Securities Pte Ltd*	702,900	0.32
23.	Public Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Low Bok Sang*	700,000	0.32
24.	Koperasi Permodalan Felda Malaysia Berhad	628,900	0.28
25.	Tan Beng Guan	620,000	0.28
26.	HLG Nominee (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Ahmad Sholihan bin Shafie*	609,000	0.27
27.	Zainorazua binti Zainun	575,500	0.26
28.	TA Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Harbajan Kaur A/P Sadhu Singh*	565,000	0.25
29.	Ong Leh Eng	555,000	0.25
30.	Tey Yee Yee	530,000	0.24

Analysis of Shareholdings (cont'd)

As at 2 May 2012

SUBSTANTIAL SHAREHOLDERS AS AT 2 MAY 2012
(as per the Register of Substantial Shareholders)

Name of Shareholders	Direct No. of Shares	%^	Indirect No. of Shares	%^
Low Bok Tek	15,470,857	6.97	49,571,600*	22.32
BT Capital Sdn Bhd	49,571,600	22.32	-	-
Lembaga Tabung Haji	18,048,000	8.13	-	-

* *Deemed interested by virtue of his shareholding in BT Capital Sdn Bhd pursuant to Section 6A of the Act*

DIRECTORS' SHAREHOLDING AS AT 2 MAY 2012
(as per the Register of Directors' Shareholdings under Section 134 of the Companies Act, 1965)

Name	Direct No. of Shares	%^	Indirect No. of Shares	%^
Low Bok Tek	15,470,857	6.97	49,571,600*	22.32
Ibrahim bin Hamzah	219,000	0.10	165,000#	0.07
Malik Parvez Ahmad bin Nazir Ahmad	-	-	-	-
Peter Wong Hoy Kim	-	-	-	-

^ *Based on the adjusted issued and paid-up share capital of RM111,050,235 comprising 222,100,470 ordinary shares after deducting 739,200 treasury shares retained by the Company*
* *Deemed interested by virtue of his shareholding in BT Capital Sdn Bhd pursuant to Section 6A of the Act*
\# *Deemed interested by virtue of the shareholding of his son*

By virtue of his interest in the shares of the Company, Mr. Low Bok Tek is deemed interested in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

Analysis of Warrantholdings

As at 2 May 2012

Class of Securities	: Warrants 2007/2017
No. of Warrants Issued	: 52,009,601
Exercise Price of Warrants	: RM0.53
Exercise Period of Warrants	: From 7 June 2007 to 6 June 2017
Expiry Date of Warrants	: 6 June 2017
Voting Rights	: One vote for every Warrant in respect of a meeting of Warrantholders
No. of Warrantholders	: 652

DISTRIBUTION OF WARRANTHOLDINGS

Size of Holdings	No. of Holders	%	No. of Warrants	%
Less than 100	2	0.31	123	0.00
100 to 1,000	110	16.87	58,200	0.11
1,001 to 10,000	401	61.50	2,051,200	3.95
10,001 to 100,000	131	20.09	3,775,500	7.26
100,001 to less than 5% of issued warrants	6	0.92	1,738,200	3.34
5% and above of issued warrants	2	0.31	44,386,378	85.34
Total	652	100.00	52,009,601	100.00

LIST OF THIRTY (30) LARGEST WARRANT ACCOUNT HOLDERS

	Names of Holders	No. of Warrants	%
1.	BT Capital Sdn Bhd	35,000,000	67.30
2.	Best Time Venture Sdn Bhd	9,386,378	18.05
3.	Exodius Holdings Sdn Bhd	494,500	0.95
4.	Maybank Nominees (Tempatan) Sdn Bhd *Beneficiary : Maybank Trustees Berhad for CIMB-Principal Strategic Bond Fund*	360,400	0.69
5.	Kok Yoon Lim	314,300	0.60
6.	AAsia-East Capital Sdn Bhd	270,300	0.52
7.	Maybank Nominees (Tempatan) Sdn Bhd *Beneficiary : Law Hoe Thiam*	178,000	0.34
8.	A.A. Anthony Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Siew Pei Szan*	120,700	0.23
9.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Susan Liew Shau Nyee*	100,000	0.19
10.	OSK Nominees (Tempatan) Sdn Berhad *Beneficiary : Pledged Securities Account for Low Koon Keng*	94,300	0.18
11.	Public Invest Nominees (Asing) Sdn Bhd *Beneficiary : Exempt An for Phillip Securities Pte Ltd*	93,100	0.18

Analysis of Warrantholdings (cont'd)

As at 2 May 2012

LIST OF THIRTY (30) LARGEST WARRANT ACCOUNT HOLDERS (CONT'D)

	Names of Holders	No. of Warrants	%
12.	TA Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Balraaj Singh A/L Tarlachon Singh*	80,000	0.15
13.	Lim Weng Heng	75,000	0.14
14.	CIMSEC Nominees (Tempatan) Sdn Bhd *Beneficiary : CIMB Bank for Fong Eng Yeow*	70,000	0.13
15.	Low Boon Tong	68,000	0.13
16.	Ahmad Sholihan bin Shafie	60,000	0.12
17.	Lee Kuan Meng	60,000	0.12
18.	Nancy Cheah	60,000	0.12
19.	Teh Chean Ben	60,000	0.12
20.	Chin Tai Tat	59,900	0.12
21.	RHB Capital Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Ho Swee Ming*	59,900	0.12
22.	Public Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Arthur Tam Hong Ping*	59,500	0.11
23.	TA Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Choong Seng Cheong*	54,400	0.10
24.	RHB Capital Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Tan Tee Huei*	52,900	0.10
25.	Siao Yen Ling	51,000	0.10
26.	Kamsiah binti Ahmad Kusri	50,000	0.10
27.	Ng Long Chong	50,000	0.10
28.	TA Nominees (Tempatan) Sdn Bhd *Beneficiary : Pledged Securities Account for Harbajan Kaur A/P Sadhu Singh*	50,000	0.10
29.	Teh Chean Ben	50,000	0.10
30.	Liza Leong Su Min	48,100	0.09

DIRECTORS' WARRANTHOLDING AS AT 2 MAY 2012

	Direct		Indirect	
Name	No. of Warrants	%	No. of Warrants	%
Low Bok Tek	-	-	35,000,000#	67.30
Malik Parvez Ahmad bin Nazir Ahmad	-	-	-	-
Peter Wong Hoy Kim	-	-	-	-
Ibrahim bin Hamzah	-	-	-	-

Deemed interested by virtue of his warrantholding in BT Capital Sdn Bhd pursuant to Section 6A of the Act

List of Group Properties

Particulars of Group Properties as at 31 December 2011

Location	Description/ Existing Use	Tenure	Land Area	Approximate Age of Building	Net Book Value as at 31/12/2011	Date of Last Revaluation	Date of Acquisition
LATEXX MANUFACTURING SDN BHD							
Lot PT5054, H. S. (D) LM 5127, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Factory cum Office	99 years lease expiring on 29 Nov 2092	16,390 sq metres	17 years	RM6,258,259	12 Sept 1995	30 Nov 1993
Lot 15237, PN 63761, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Factory cum Office	99 years lease expiring on 6 Jan 2087	8,099 sq metres	23 years	RM3,394,269	12 Sept 1995	6 Jan 1988
Lot PT4004, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Factory cum Office	Leasehold expiring on 21 Dec 2089	12,588 sq metres	21 years	RM2,985,286	-	30 Mar 1993
Lot 10558, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Factory cum Office	99 years lease expiring on 12 May 2081	24,304 sq metres	23 years	RM9,665,710	-	11 Jun 1998
PN 69587 No. Lot 18374, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Factory cum Office	Leasehold expiring on 2088	32,378 sq metres	3 years	RM16,705,206	-	5 Dec 2006
PN 95745 No. Lot 18873, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Factory cum Office	99 years lease expiring on 11 Jan 2092	12,629 sq metres	2 years	RM9,714,997	-	30 Aug 2007

List of Group Properties (cont'd)

Particulars of Group Properties as at 31 December 2011

Location	Description/ Existing Use	Tenure	Land Area	Approximate Age of Building	Net Book Value as at 31/12/2011	Date of Last Revaluation	Date of Acquisition
LATEXX MANUFACTURING SDN BHD (CONT'D)							
Lot 5559, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Vacant Land	Freehold	8,190 sq metres	-	RM111,440	-	13 Jul 2010
PN 108706, Lot No. 16672, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Warehouse	99 years lease expiring on 17 Jul 2088	8,094 sq metres	22 years	RM1,790,126	-	18 Jul 1989
PN 276758, Lot No. 20126, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Warehouse	99 years lease expiring on 9 May 2095	8,097 sq metres	15 years	RM1,504,531	-	10 May 1996
MEDTEXX MANUFACTURING SDN BHD							
PT5171, 5530-5534, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Vacant Land	Freehold	50,116 sq metres	-	RM440,478	-	2 Feb 1999
Lot 5529, Mukim of Assam Kumbang, District of Larut & Matang, Perak Darul Ridzuan	Vacant Land	Freehold	8,381 sq metres	-	RM273,101	-	1 Feb 2010

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirtieth (30th) Annual General Meeting of the Company will be held at Diamond Room, SSL Traders Hotel, No. 43, Jalan Medan Perwira Satu, Medan Perwira, 34600 Kamunting, Perak Darul Ridzuan on Friday, 15 June 2012 at 11.30 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 and the Reports of the Directors and Auditors thereon. (Please refer to Additional Explanatory Note)
2. To approve the payment of a final tax-exempt dividend of 1.5 sen per share in respect of the financial year ended 31 December 2011 as recommended by the Directors. **(Ordinary Resolution 1)**
3. To approve the payment of Directors' fees of RM90,000 for the financial year ended 31 December 2011. **(Ordinary Resolution 2)**
4. To re-elect Ibrahim bin Hamzah who retires by rotation pursuant to Article 90 of the Company's Articles of Association. **(Ordinary Resolution 3)**
5. To re-elect Malik Parvez Ahmad bin Nazir Ahmad who retires by rotation pursuant to Article 90 of the Company's Articles of Association. **(Ordinary Resolution 4)**
6. To re-appoint Peter Wong Hoy Kim who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting. **(Ordinary Resolution 5)**
7. To re-appoint Messrs STYL Associates as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:-

Ordinary Resolutions

8. **Renewal of Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965** **(Ordinary Resolution 7)**

   "THAT subject always to the Companies Act, 1965, Articles of Association of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue new shares in the Company at any time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of new shares to be issued does not exceed 10% of the total issued share capital of the Company for the time being, and such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. **Proposed Renewal of Share Buy-Back Authority** **(Ordinary Resolution 8)**

   "THAT pursuant to Paragraph 12.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and subject to Section 67A of the Companies Act, 1965 ("Act"), the Company's Memorandum and Articles of Association and other applicable laws, rules and regulations and the approvals of all relevant regulatory authorities, the Company be and is hereby authorised to purchase and/or hold such number of ordinary shares of RM0.50 each in the Company as may be determined by the Directors from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be purchased and/or held pursuant to this resolution shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company as at the date of the share buy-back and that an amount of the funds not exceeding the retained profits and share premium reserve of the Company as at the date of the share buy-back, be utilised for the proposed purchase AND THAT the shares of the Company to be purchased may be cancelled, retained as treasury shares, distributed as dividends or resold on Bursa Malaysia, or a combination of the above, at the absolute discretion of the Directors.

Notice of Annual General Meeting (cont'd)

AND THAT such approval shall take effect upon the passing of this ordinary resolution and will continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND FURTHER THAT the Directors be and are hereby authorised to do all such acts and things (including executing any relevant documents) for and on behalf of the Company, as they may consider expedient or necessary to complete and give effect to the aforesaid authorisation."

Special Resolution

10. **Proposed Amendments to the Articles of Association of the Company** **(Special Resolution 1)**

"THAT the amendments to the Articles of Association of the Company as set out in Part A of the Circular to Shareholders dated 24 May 2012 be and are hereby approved and adopted AND THAT the Directors be and are hereby authorized to give effect to the said amendments."

11. To transact any other business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Thirtieth (30th) Annual General Meeting to be held on 15 June 2012, a final tax-exempt dividend of 1.5 sen per ordinary share of RM0.50 each for the financial year ended 31 December 2011, if approved, will be paid on 16 July 2012 to the shareholders whose names appear in the Record of Depositors at the close of business on 29 June 2012.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Shares transferred into the Depositor's securities account before 4.00 p.m. on 29 June 2012 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Jesslyn Ong Bee Fang (MAICSA 7020672)
Eric Toh Chee Seong (LS 0005656)
Company Secretaries

24 May 2012
Perak Darul Ridzuan

Notice of Annual General Meeting (cont'd)

Notes:

1. A member of the Company, eligible to attend and vote at the meeting, is entitled to appoint a proxy or proxies to vote in his/her stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. Where a member appoints two or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Registered Office at Lot 18374, Jalan Perusahaan 3, Kamunting Industrial Estate, 34600 Kamunting, Perak Darul Ridzuan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

5. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 52(b) of the Company's Articles of Association and Paragraph 7.16 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 11 June 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 7 – Renewal of Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965
The existing general mandate for the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 was approved by the shareholders of the Company at the 29th Annual General Meeting held on 18 June 2011. The Company did not issue any new shares pursuant to this general mandate as at the date of this notice.

The Company is continually looking for opportunities to broaden the operating base and earnings potential of the Company. This may require the issue of new shares not exceeding ten percent (10%) of the issued and paid-up share capital of the Company for the time being.

The proposed Ordinary Resolution 7 would enable the Directors to avoid delay and cost of convening further general meetings to approve the issue of such shares for such purposes. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. The renewal of this mandate will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or any acquisition.

Ordinary Resolution 8 - Proposed Renewal of Share Buy-Back Authority
The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained profits and share premium reserve of the Company. Please refer to the Share Buy-Back Statement dated 24 May 2012, which is dispatched together with the Company's Annual Report 2011.

Please refer to the Circular to Shareholders dated 24 May 2012 for further information.

Special Resolution 1 - Proposed Amendments to the Articles of Association of the Company
The proposed Special Resolution 1, if passed, will render the Company's Articles of Association to be aligned with the recent amendments made in Chapter 7 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Appointment of Multiple Proxies by an Exempt Authorised Nominees, Qualification of Proxy and Rights of Proxy to Speak.

ADDITIONAL EXPLANATORY NOTE

Item 1 of the Agenda
The Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

PROXY FORM

LATEXX PARTNERS BERHAD (86100-V)

I/We ____
(Full Name In Block Letters)

of ____
(Address)

being a member/members of **LATEXX PARTNERS BERHAD** hereby appoint ____________________

____
(Full Name In Block Letters)

of ____
(Address)

or failing him/her ____
(Full Name In Block Letters)

of ____
(Address)

or failing him/her, the Chairman of the Company as my/our proxy, to vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at Diamond Room, SSL Traders Hotel, No. 43, Jalan Medan Perwira Satu, Medan Perwira, 34600 Kamunting, Perak Darul Ridzuan on Friday, 15 June 2012 at 11.30 a.m. or at any adjournment thereof.

No.	Ordinary Resolution	FOR	AGAINST
1.	To approve the payment of Final Tax Exempt Dividend		
2.	To approve the payment of Directors' Fees		
3.	To re-elect Ibrahim bin Hamzah		
4.	To re-elect Malik Parvez Ahmad bin Nazir Ahmad		
5.	To re-appoint Peter Wong Hoy Kim		
6.	To re-appoint Messrs STYL Associates as Auditors of the Company		
7.	Renewal of Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965		
8.	Proposed Renewal of Share Buy-Back Authority		
	Special Resolution		
1.	Proposed Amendments to the Articles of Association of the Company		

(Please indicate with an 'X' in the spaces provided below how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain from voting at his/her discretion)

Signed this ____day of ____________2012

Number of shares held	

____
Signature of Shareholder(s)

Note:-

1. A member of the Company, eligible to attend and vote at the meeting, is entitled to appoint a proxy or proxies to vote in his/her stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
2. Where a member appoints two or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office at Lot 18374, Jalan Perusahaan 3, Kamunting Industrial Estate, 34600 Kamunting, Perak Darul Ridzuan not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
5. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 52(b) of the Company's Articles of Association and Paragraph 7.16 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 11 June 2012 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

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Affix
Stamp
Here

The Company Secretary
LATEXX PARTNERS BERHAD (86100-V)
Lot 18374, Jalan Perusahaan 3
Kamunting Industrial Estate
34600 Kamunting
Perak Darul Ridzuan
Malaysia

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