

28 April 2020

Consumer Non-cyclical | Rubber Products

Rubberex Corporation (RBRX MK)

Buy

Supernormal Growth!

Target Price (Return): MYR1.68 (+30%)
 Price: MYR1.29
 Market Cap: USD74.5m
 Avg Daily Turnover (MYR/USD): 5.95m/1.32m

- Initiate coverage with a BUY and MYR1.68 TP, 30% upside with c.2% yield.** Our TP conservatively implies 23.5x FY21F P/E, a 24% discount to sector average reflected by its smaller market cap and liquidity. We expect Rubberex to register supernormal 3-year forward earnings CAGR of 30%. This is supported by expansion in capacity, which should double in the next 3-6 months and triple by end-FY22F. The stock should benefit directly from COVID-19 and is trading at an unwarranted 40% discount vs peer average.

- Supernormal growth stock.** We expect Rubberex to register a 3-year forward CAGR earnings growth of 30%. This is supported by its aggressive but timely expansion of the nitrile disposable gloves segment. The company plans to double its capacity in the nitrile disposable segment from the current 1bn pieces pa (ppa) to 2bn ppa in the next 3-6 months. By end-FY22F, we expect its production capacity to triple to 3bn ppa. Its production capacity for household gloves is currently 52m ppa, while industrial gloves stands at 25m ppa. We expect capacity for household and industrial gloves to remain stable in FY20F-22F.

- Beneficiary of COVID-19 due to spike in demand for gloves.** Due to exceptionally high demand for gloves globally, Rubberex's operations facility is running at close to full utilisation rate of 90%, compared to its normal level of 80-90% before the pandemic. The most direct beneficiary is the nitrile disposable gloves segment as it is sold mainly to the medical sector. The spillover effect has also benefited the household/industrial gloves segment due to increased health awareness across the world due to COVID-19. We also expect margins to expand due to higher USD/MYR trend and lower nitrile butadiene prices.

- Undervalued at 40% valuation discount vs peers.** Rubberex is trading at 18x FY21F P/E. This represents a 40% discount vs sector average of 30.2x. Although we believe that part of the discount is justified due to its smaller market cap, the magnitude of the discount is unwarranted as we expect its earnings growth to beat peers in the next three years.

- Risks.** Risks to our valuation and earnings forecasts include industry overexpansion, lower-than-expected USD/MYR, and higher-than-expected raw materials prices.

- Strong management team.** The company's managing director is Khoo Chin Leng. He has more than 30 years of experience in the rubber gloves manufacturing industry.

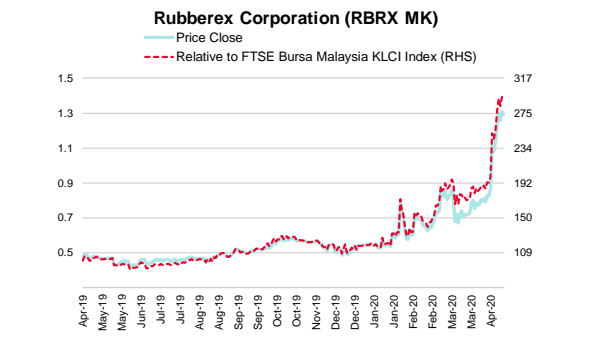
Analyst

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Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	138.9	77.9	113.2	122.4	183.5
Relative	152.7	75.9	126.2	135.1	199.9
52-wk Price low/high (MYR)					0.42 – 1.31



Source: Bloomberg

Forecasts and Valuation	Dec-18	Dec-19	Dec-20F	Dec-21F	Dec-22F
Total turnover (MYRm)	205	223	268	343	418
Recurring net profit (MYRm)	9	11	15	20	25
Recurring net profit growth (%)	-15%	31%	35%	31%	25%
Recurring P/E (x)	34.0	28.7	23.6	18.0	14.4
P/BV (x)	1.4	1.6	1.7	1.6	1.5
P/CF (x)	6.72	2.86	8.09	9.88	8.18
Dividend Yield (%)	1.4	1.6	1.9	2.5	3.1
EV/EBITDA (x)	12.71	11.06	11.72	9.68	8.08
ROE (%)	-	5.4	7.3	9.1	10.7
Net debt to equity (%)	9.6	net cash	1.3	1.9	0.6

Source: Company data, RHB

Financial Exhibits

Asia	Financial summary (MYR)	Dec-18	Dec-19	Dec-20F	Dec-21F	Dec-22F
Malaysia	Recurring EPS	0.04	0.05	0.05	0.07	0.09
Consumer Non-cyclical	DPS	0.02	0.02	0.02	0.03	0.04
Rubberex Corporation	BVPS	0.94	0.81	0.76	0.80	0.85
RBRX MK	Return on average equity (%)	-	5.4	7.3	9.1	10.7
Buy						
	Valuation metrics	Dec-18	Dec-19	Dec-20F	Dec-21F	Dec-22F
Valuation basis	Recurring P/E (x)	34.04	28.66	23.56	18.03	14.41
DCF	P/B (x)	1.4	1.6	1.7	1.6	1.5
	FCF Yield (%)	8.5	21.7	(9.8)	3.2	4.9
	Dividend Yield (%)	1.4	1.6	1.9	2.5	3.1
Key drivers	EV/EBITDA (x)	12.71	11.06	11.72	9.68	8.08
i. Volume of sales;	EV/EBIT (x)	24.46	16.02	15.90	12.45	10.01
ii. USD/MYR;						
iii. Nitrile butadiene price						
	Income statement (MYRm)	Dec-18	Dec-19	Dec-20F	Dec-21F	Dec-22F
Key risks	Total turnover	205	223	268	343	418
i. Lower than expected sales volume;	Gross profit	26	32	39	50	61
ii. Lower than expected USD/MYR;	EBITDA	25	26	31	38	45
iii. Higher than expected raw material prices.	Depreciation and amortisation	(12)	(8)	(8)	(8)	(9)
	Operating profit	13	18	23	29	36
Company Profile	Net interest	(3)	(2)	(2)	(2)	(2)
Rubberex produces nitrile disposable gloves, household gloves and industrial gloves.	Pre-tax profit	10	16	21	27	34
	Taxation	(1)	(4)	(6)	(7)	(9)
	Reported net profit	9	11	15	20	25
	Recurring net profit	9	11	15	20	25
	Cash flow (MYRm)	Dec-18	Dec-19	Dec-20F	Dec-21F	Dec-22F
	Cash flow from operations	44.0	113.6	44.5	36.4	44.1
	Capex	(18.9)	(43.0)	(80.0)	(25.0)	(26.3)
	Cash flow from investing activities	(18.8)	(43.3)	(80.0)	(25.0)	(26.3)
	Dividends paid	(4.0)	(5.0)	(6.9)	(9.0)	(11.2)
	Cash flow from financing activities	(27.6)	(39.3)	(8.5)	(12.3)	(14.5)
	Cash at beginning of period	26.1	23.9	56.1	10.3	10.8
	Net change in cash	(2.3)	30.9	(44.0)	(0.9)	3.3
	Ending balance cash	23.7	54.8	12.1	9.4	14.1
	Balance sheet (MYRm)	Dec-18	Dec-19	Dec-20F	Dec-21F	Dec-22F
	Total cash and equivalents	24	56	11	10	13
	Tangible fixed assets	87	125	195	210	227
	Total assets	295	270	296	333	376
	Short-term debt	31	11	11	12	12
	Total long-term debt	13	1	1	1	1
	Total liabilities	80	65	83	109	138
	Total equity	214	205	213	224	238
	Total liabilities & equity	295	270	296	333	376
	Key metrics	Dec-18	Dec-19	Dec-20F	Dec-21F	Dec-22F
	Revenue growth (%)	0.0	8.6	31.2	29.0	22.5
	Recurrent EPS growth (%)	0.0	18.8	35.0	31.4	25.5
	Gross margin (%)	12.8	14.2	14.5	14.5	14.5
	Operating EBITDA margin (%)	12.1	11.5	11.5	11.0	10.7
	Net profit margin (%)	4.2	5.1	5.7	5.8	6.0
	Dividend payout ratio (%)	46.2	44.4	45.0	45.0	45.0
	Capex/sales (%)	9.2	19.3	29.8	7.3	6.3
	Interest cover (x)	4.64	9.34	12.09	15.50	19.13

Source: Company data, RHB

Valuation

Figure 1: DCF valuation

FYE Dec (MYR m)	FY20F	FY21F	FY22F	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	Terminal
CFO	45	36	44	37	46	50	53	57	61	64	
+ Interest (1 - Tax Rate)	1	1	1	1	1	1	1	1	1	1	
- capital expenditure	(80)	(25)	(26)	(28)	(29)	(30)	(32)	(34)	(35)	(37)	
Free cash flow to firm (FCFF)	(34)	13	19	11	18	21	23	25	27	29	799
Discount factor	0.93	0.86	0.80	0.74	0.69	0.64	0.59	0.55	0.51	0.47	0.47
PV of FCFF	(32)	11	15	8	12	13	13	14	14	14	375

Risk-free	4.0%
Beta	0.57
Cost of Equity	7.4%
WACC	7.3%
Terminal growth	3.5%

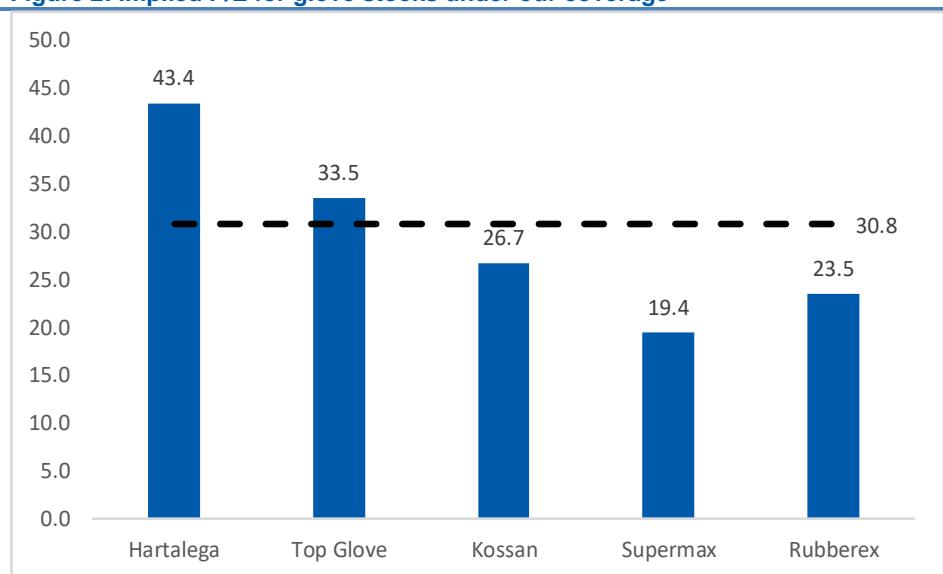
Enterprise Value (MYR m)	458
Cash	56
- Debt	(44)
Equity Value (MYR m)	469
No of shares (m)	279
Target Price (MYR)	1.68

Source: RHB

TP of MYR1.68. We use DCF-FCFF to value Rubberex. Key parameters are a WACC of 7.3% and terminal growth rate of 3.5%. Our TP of MYR1.68 implies 23.5x FY21F P/E. Against its peer average of 30.8x, the implied P/E of 23.5x is at a 24% discount. We believe the discount is justified due to the company's smaller market cap and lower stock liquidity.

Our TP is conservative as its P/E is at a discount to peers. Based on our TP for the glove stocks under our coverage, P/E ranges from 19.4x-43.4x while the industry's average P/E is 30.8x. Our DCF-derived TP implies P/E of 23.5x, which is at 24% to the average hence we believe that our TP is still conservative.

Figure 2: Implied P/E for glove stocks under our coverage



Source: Bloomberg, RHB

Figure 3: Peer comparison

Company	Price	Mkt Cap (USDm)	P/E (x)			Div. Yld (%)	ROE (%)	P/BV (x)
	(MYR)		Actual	1-Year fwd	2-Year fwd	1-Year fwd	Actual	Actual
Hartalega	7.57	5,880	53.8	41.1	33.2	1.5	20.7	10.9
Top Glove	7.19	4,231	50.5	39.1	34.4	1.3	15.3	7.3
Kossan	5.55	1,629	30.8	25.2	22.1	1.6	16.0	4.5
Supermax	2.34	696	28.5	24.1	23.1	1.5	10.0	2.7
Average			40.9	32.4	28.2	1.5	15.5	6.4
Rubberex	1.29	75	28.7	23.5	18.0	1.9%	9.8%	1.7

Source: Bloomberg, RHB

Sensitivity Analysis

Sensitivity of earnings and TP to three variables. We conducted a scenario analysis for our FY20F earnings and TP. Our base assumptions are USD/MYR of 4.28, ASP of 2.5 US cents per piece of nitrile disposable glove and stable raw materials prices. We have used these permutations for our sensitivity analysis:

- i. Five ASPs for nitrile disposable ranging from 2.3-2.7 US cents per piece;
- ii. Five USD/MYR from 4.08 to 4.48.

Figure 4: Earnings sensitivity under stable raw materials prices

FY20F Earnings Sensitivity		USD/MYR				
		4.08	4.18	4.28	4.38	4.48
ASP(USD/piece)	0.023	13.7	14.1	14.5	14.9	15.4
	0.024	14.1	14.5	14.9	15.3	15.8
	0.025	14.4	14.9	15.3	15.7	16.2
	0.026	14.8	15.2	15.7	16.1	16.6
	0.027	15.2	15.6	16.1	16.5	17.0
Target Price Sensitivity		USD/MYR				
		4.08	4.18	4.28	4.38	4.48
ASP(USD/piece)	0.023	1.34	1.40	1.47	1.54	1.61
	0.024	1.43	1.50	1.57	1.65	1.72
	0.025	1.53	1.60	1.68	1.75	1.82
	0.026	1.63	1.70	1.78	1.86	1.93
	0.027	1.73	1.80	1.88	1.96	2.04

Source: RHB

Key Assumptions

Figure 5: Key assumptions

Key Assumptions	FY20F	FY21F	FY22F
Installed Capacity (Nitrile, m ppa)	2,000	2,500	3,000
Installed Capacity (Household, m ppa)	52	52	52
Installed Capacity (Industrial, m ppa)	25	25	25
Average USDMYR	4.28	4.28	4.28
Utilisation Rate (Nitrile)	65%	80%	90%
Utilisation Rate (Household)	85%	85%	85%
Utilisation Rate (Industrial)	85%	85%	85%

Source: RHB

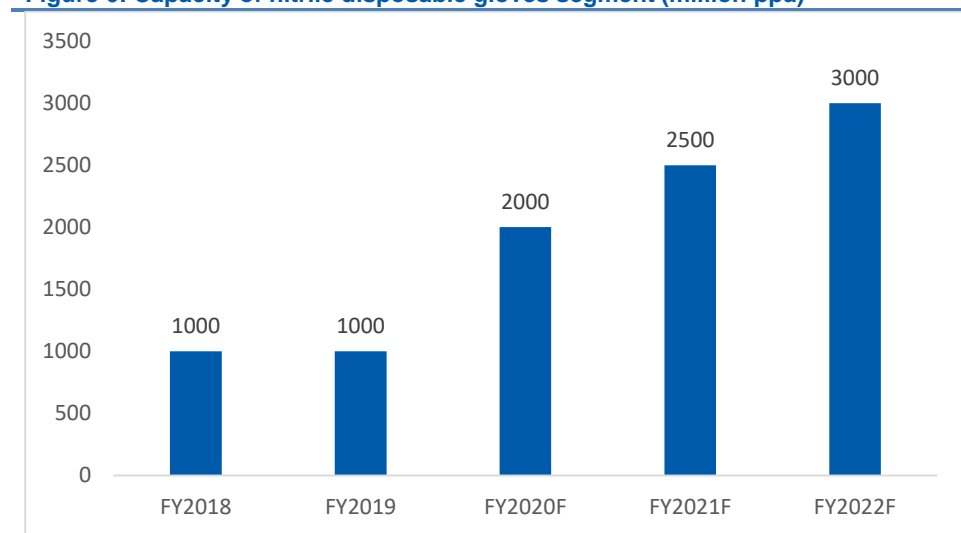
Investment Thesis

Beneficiary of COVID-19 due to spike in demand for gloves. Rubberex stands to benefit from COVID-19 due to a surge in the demand for gloves globally. Due to the exceptionally high demand, Rubberex's operations facility is running at close to full utilisation rate of 90%, compared to its normal level of 80-90% before the pandemic. Note that global demand for gloves has spiked due to the need to protect healthcare workers, and, to certain extent, non-healthcare workers as well. The most direct beneficiary is the nitrile disposable gloves segment as it is sold to the medical sector. The spill-over effect has also benefited the household and industrial gloves segment due to increased health awareness across the world due to COVID-19.

Supernormal growth stock. We are expecting Rubberex to experience supernormal earnings growth for the next three years. This is supported by its aggressive but timely expansion of its nitrile disposable gloves segment. The company plans to double its capacity from 1bn ppa to 2bn ppa in the next 3-6 months. We gather that construction of the new plant, which has 1bn ppa capacity is already 90% completed. However, construction was temporary halted due to the Mandatory Control Order (MCO). Having said that, it should only take a maximum three months to complete construction once the MCO is lifted.

To triple production capacity in three years. For FY21F-22F, we expect the company to expand by another 500m ppa annually to reach 3bn ppa by end-FY2022. Effectively, we expect the company to triple its production capacity in the next three years. Demand for nitrile disposable gloves is strong, and the order for the upcoming 1bn ppa capacity has already been fully taken up.

Figure 6: Capacity of nitrile disposable gloves segment (million ppa)



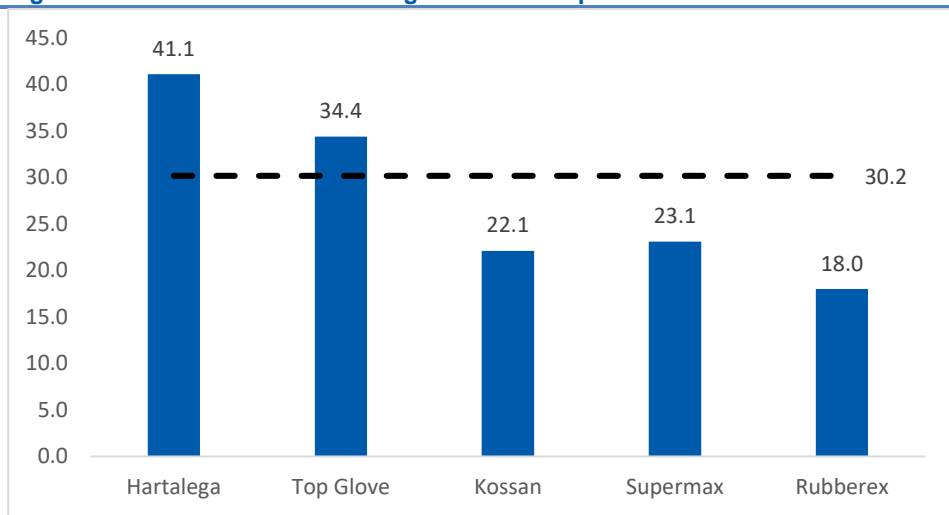
Source: Company data, RHB

Minimal impact from MCO. We gather that gloves are deemed as essential hence Rubberex's factory is still operating despite the MCO. However, its office only is running at 50% of its staff capacity. For the expansion, construction of its new nitrile disposable plant is also temporary halted. Having said that, we believe that the factory should be completed in 3Q20F as we believe that the MCO will eventually be lifted.

Strong balance sheet. As at end-2019, Rubberex had MYR56.1m of cash and total debts of MYR12m. Its balance sheet remained strong as it was in a net cash position of MYR44.1m. This is significantly better than its net debt position of MYR20.5m in 2018. Cash flow from operations also jumped to MYR113.6m in FY19 as compared to FY18's MYR44m.

Undervalued. Rubberex is trading at FY21F P/E of 18x. This represents a 40% discount vs sector average of 30.2x. Although we believe that part of the discount is justified due to its smaller market cap, the magnitude of the discount is unwarranted as we expect its earnings growth to beat peers in the next three years.

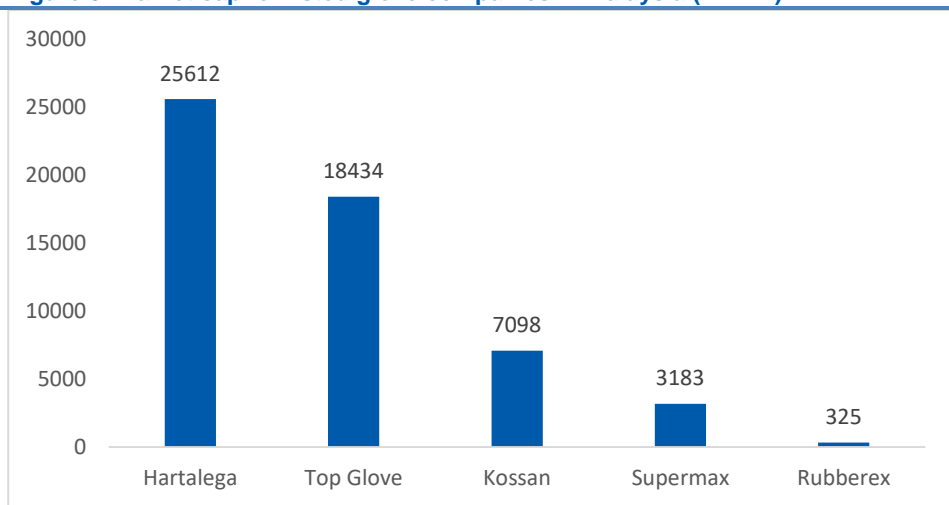
Figure 7: Rubberex's P/E is at a huge discount vs peers



Source: RHB

A small cap stock with promising growth. Rubberex's market capitalisation of MYR325m is small as compared to peers, which range from MYR3.2bn-25.6bn. Despite the stock's smaller liquidity vs the bigger boys, the company has much stronger earnings growth potential due to its small base.

Figure 8: Market cap for listed glove companies in Malaysia (MYRm)

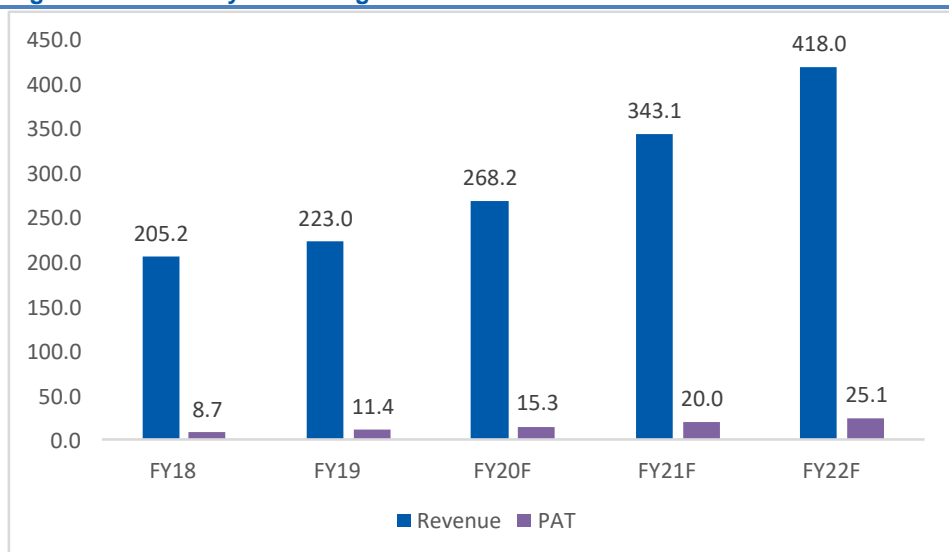


Source: Bloomberg, RHB

Expect 3-year CAGR earnings growth of 30%. We expect FY20F earnings to grow 35% YoY to MYR15m. This is supported by higher sales volume from its existing capacity and well as contribution from the new plant from 4Q20 onwards. Besides that, we expect margins to expand due to stronger USD/MYR and declining raw materials prices. In 1Q20, nitrile butadiene price declined 32% QoQ while latex price weakened 9% QoQ.

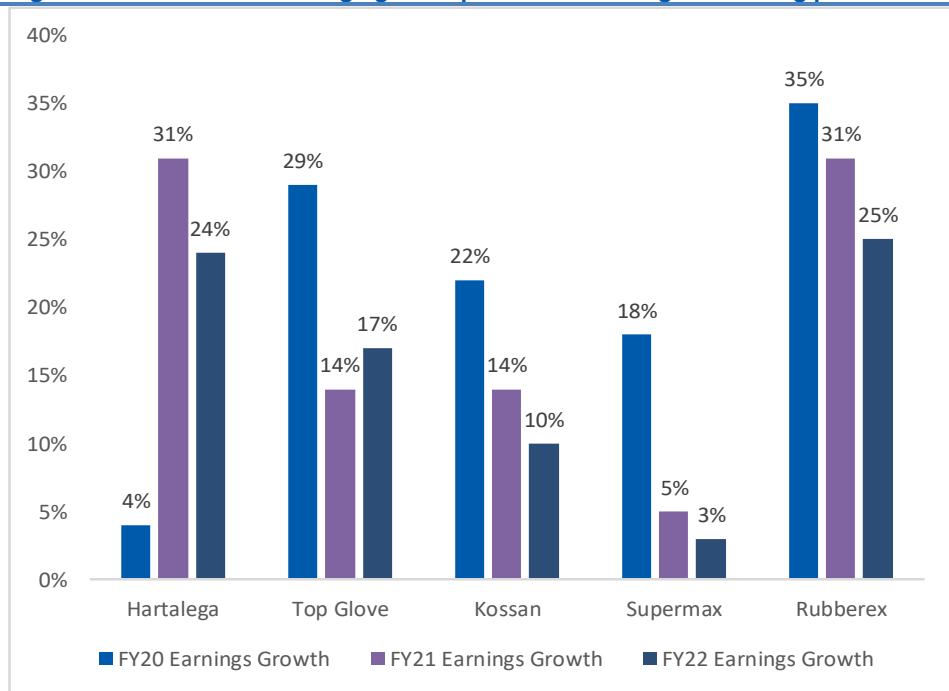
Beyond FY20, the continuous expansion should support revenue growth and hence, net profit growth. We expect strong demand for its products as expansion by 0.5bn capacity annually is minimal compared to the expected demand growth of 28bn-35bn ppa globally. Overall, we expect FY21F-22F earnings to grow at a supernormal rate of 31% and 25% to MYR20m and MYR25.1m.

Figure 9: Robust 3-year earnings CAGR of 30%



Source: Company data, RHB

Figure 10: Rubberex’s earnings growth potential is the highest among peers



Source: Company data, RHB

Expect dividend to rise 25% YoY in FY20F to 2.5 sen. Rubberex declared a dividend of 2 sen in FY19, which is an improvement of 14% YoY. Looking ahead, we expect dividend to increase by 0.5 sen to 2.5 sen in line with higher net profit. We have assumed dividend payout ratio of 45%, which is close to FY19’s 44%.

Experienced management. The company’s managing director is Khoo Chin Leng. He has more than 30 years of experience in the rubber gloves manufacturing industries. He is supported by Khoo Thiam Chye (group vice president for Malaysia operations) and Sabri Abd Hamid (group vice president of disposable gloves division). Both men have been with the company for more than 25 years.

Financial Highlights

Rubberex's FY19 revenue grew 9% YoY to MYR223m due to higher sales volume from its nitrile disposable segment. Besides that, the household and industrial gloves segment sales volume was stable YoY. EBIT margin has also improved YoY to 7.9% (vs FY18: 6.3%). We believe this is caused by the higher utilisation rate at its nitrile disposable segment, which resulted in better efficiencies. EBIT margin is still well below peer average of 13.9% as its utilisation rate had not reached the optimal level in FY19. However, this should improve in the future in line with the higher utilisation rate.

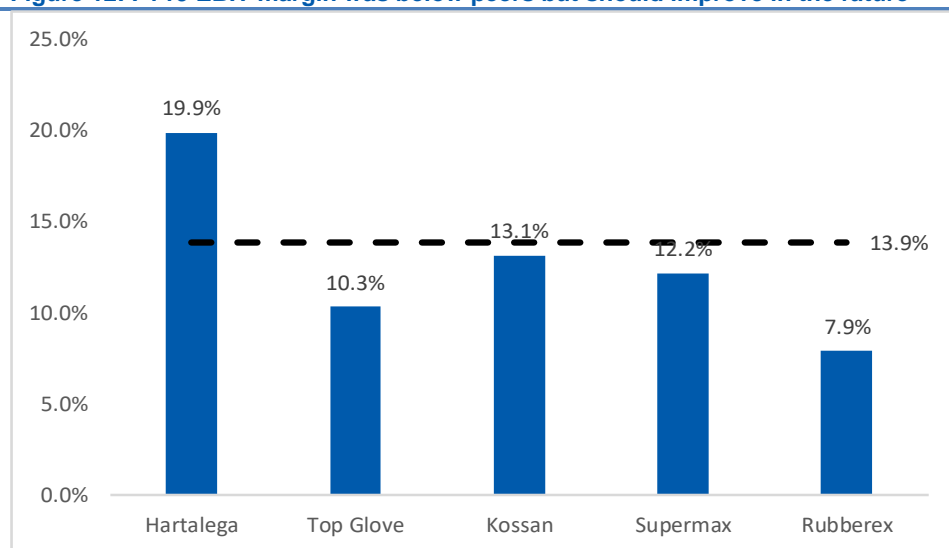
As at end-2019, Rubberex had MYR56.1m of cash and total debts of MYR12m. Its balance sheet remained strong as it was in a net cash position of MYR44.1m. This is significantly better than its net debt position of MYR20.5m in 2018. Cash flow from operations also jumped to MYR113.6m in FY19 (vs FY18: MYR44m). The company declared a dividend of 2 sen in FY19, which is an improvement of 14% YoY.

Figure 11: 4Q19 results snapshot

FYE Dec (MYRm)	4Q18	3Q19	4Q19	QoQ (%)	YoY (%)	FY18	FY19	YoY (%)	Comments
Revenue	39.5	62.2	54.6	(12.2)	38.3	205.2	223.0	8.6	Higher sales volume from the nitrile disposable glove segment
EBIT	4.7	4.1	7.0	71.9	49.4	12.9	17.6	36.4	Better product mix
<i>EBIT Margin (%)</i>	<i>11.9</i>	<i>6.6</i>	<i>12.9</i>			<i>6.3</i>	<i>7.9</i>		
Interest expense	(0.6)	(0.4)	(0.2)	(43.9)	(62.0)	(2.8)	(1.9)	(32.3)	In line with lower debt
Pretax profit	4.1	3.7	6.8	85.3	66.7	10.1	15.7	55.3	
<i>Pretax Margin (%)</i>	<i>10.3</i>	<i>5.9</i>	<i>12.4</i>			<i>4.9</i>	<i>7.1</i>		
Tax	(0.4)	(0.5)	(2.9)	429.1	648.7	(1.5)	(4.4)	201.6	
<i>Effective tax rate (%)</i>	<i>9.5</i>	<i>15.0</i>	<i>42.8</i>			<i>14.4</i>	<i>27.9</i>		
Minority Interest	0.0	0.0	0.0	na	na	0.0	0.0	na	
Net Profit	3.7	3.1	3.9	24.7	5.4	8.7	11.4	30.7	Higher sales and improved margin
<i>Net Margin (%)</i>	<i>9.3</i>	<i>5.0</i>	<i>7.1</i>			<i>4.2</i>	<i>5.1</i>		
Core NP	3.7	3.1	3.9	24.7	5.4	8.7	11.4	30.7	
<i>Core NP Margin (%)</i>	<i>9.3</i>	<i>5.0</i>	<i>7.1</i>			<i>4.2</i>	<i>5.1</i>		

Source: Company data, RHB

Figure 12: FY19 EBIT margin was below peers but should improve in the future



Source: Company data, RHB

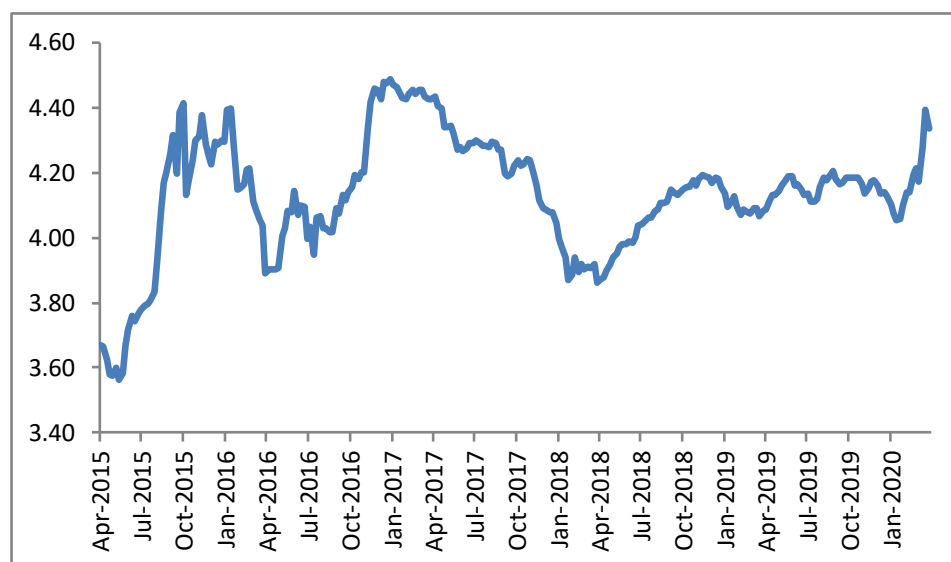
Risks

Industry overexpansion. Similar to other businesses, the rubber gloves industry went through good times and also bad times of overexpansion. This is a normal business cycle, which is prevalent in any industry. Having said that, the long term trend of a demand increase between 8% and 10% globally for gloves limits the overexpansion period to a relatively shorter period of between three and six months.

FX risk. With almost all of its sales originating from exports and 30-40% of costs being denominated in the USD, a weaker-than-expected USD/MYR will be negative for Rubberex. However, the cost pass through mechanism should neutralise the risk over the long term as the company is able to pass on the cost to consumers in the long run.

Higher-than-expected raw materials prices. Nitrile butadiene prices are volatile due to demand and supply force in the market. As it is a petroleum downstream product, its price movement is also correlated to crude oil prices. A spike in nitrile butadiene prices in the short term will be negative to Rubberex's earnings. Having said that, the cost pass through mechanism should limit the risk over the long term.

Figure 13: USD/MYR trend



Source: Bloomberg

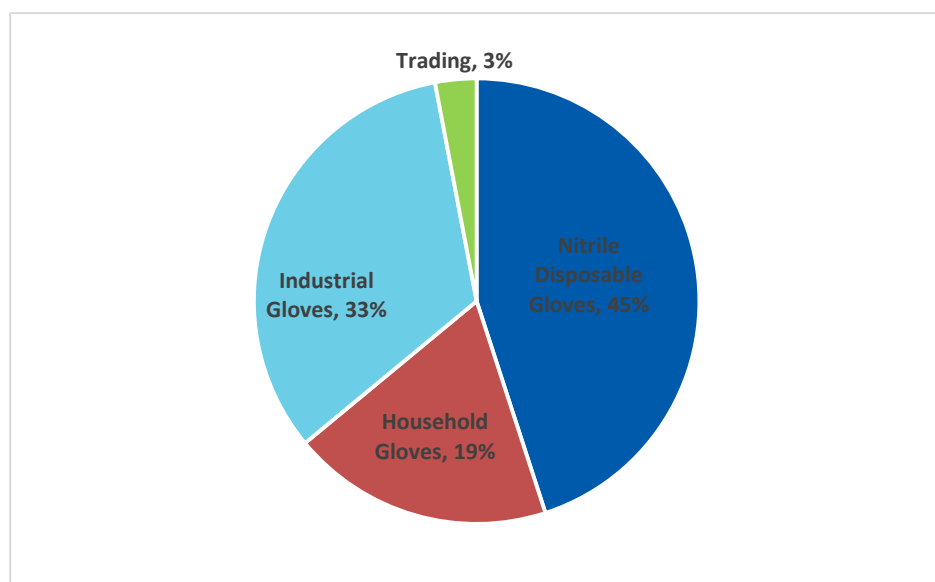
Company Background

Manufacturer of nitrile disposable gloves, household/industrial gloves. Established in 1987, Rubberex is mainly involved in the manufacturing of nitrile disposable gloves as well as household and industrial gloves. Its production facility is located in Ipoh on a 1.5m sq ft of land area. We believe that Rubberex’s nitrile disposable plant has the capacity to produce 1bn ppa. Its production capacity for household gloves is currently 52m ppa, while industrial gloves stands at 25m ppa. Although the nitrile disposable plant capacity is much bigger than household and industrial gloves, its revenue contribution is lower at 45% as compared to household and industrial combined revenue of 52%. This is caused by nitrile disposable gloves’ ASP, which is much lower than household and industrial gloves.

33 years of history. The company was established in 1987. In 1997, the company gained its listing status on the Bursa Malaysia’s Second Board. As its profit has grown over the years, Rubberex successfully migrated to the Main Board in 2005.

Change in major shareholders recently. Dato’ Ong Choo Meng emerged as the largest shareholder with a 32.5% stake through a series of acquisitions from 28 Feb to 25 Apr 2020. On 10 Apr, Med-Bumikar MARA SB ceased to be the major shareholder after its disposal of 67.3m shares (26.7% stake). Dato’ Ong is the executive director of Hextar Global (5151 MK, NR) and also the non-independent non-executive director of SCH Group (SCHG MK, NR). The company has also attracted foreign investors – Caravan Capital Management LLC from the US emerged as a major shareholder with 5.2% stake on 16 Apr.

Figure 14: FY19 sales breakdown by segment



Source: Company data

Figure 15: Production capacity

Type	Capacity (in million gloves per annum)
Nitrile Disposable Gloves	1,000
Household Gloves	52
Industrial Gloves	25

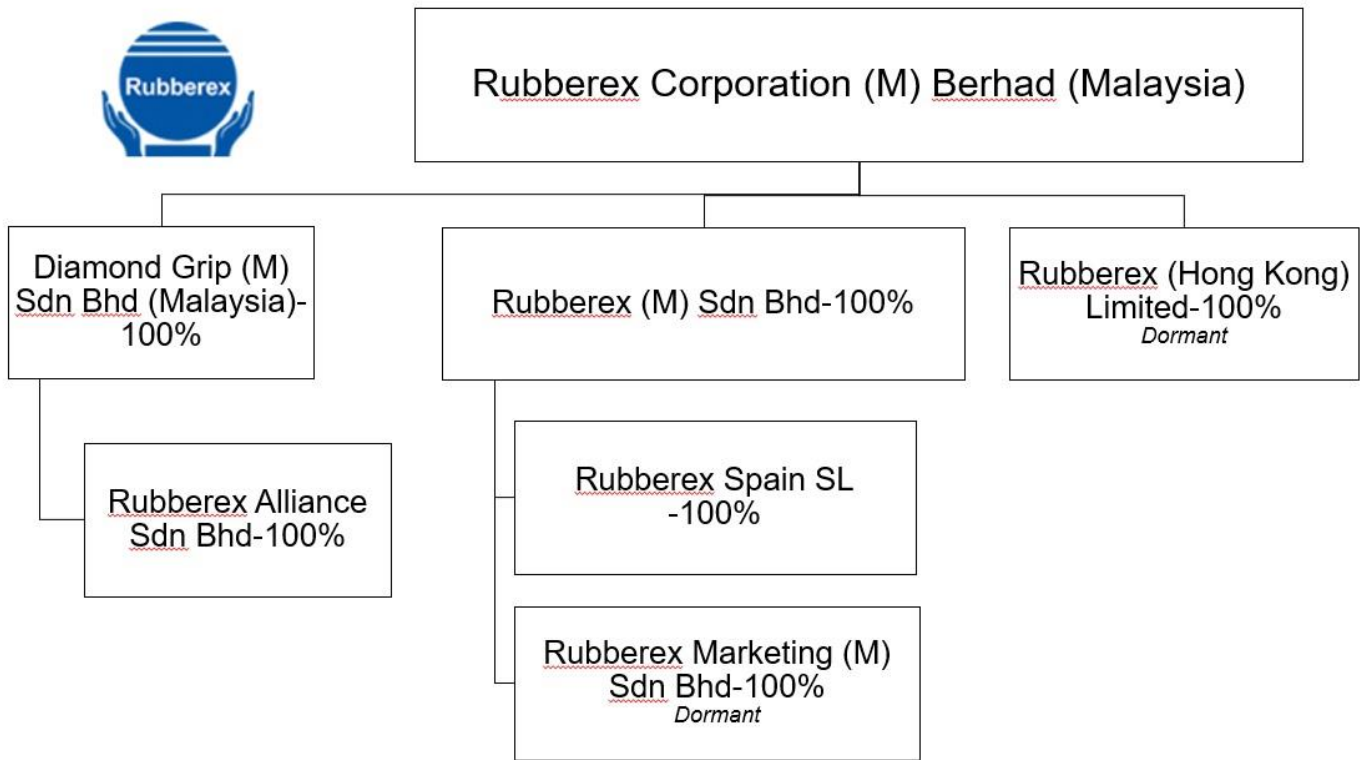
Source: Company

Figure 16: Major shareholders

Major Shareholders	Stake
Dato’ Ong Choo Meng	32.5%
Aun Huat & Brothers SB.	10.0%
Duvest Holdings SB	9.5%
Caravan Capital Management	5.2%

Source: Bloomberg, Bursa Malaysia

Figure 17: Corporate structure



Source: Company

Figure 18: Rubberex’s manufacturing plant in Ipoh



Source: Company

Figure 19: One of Rubberex's products: nitrile disposable gloves



Source: Company

Figure 20: One of Rubberex's products: household gloves



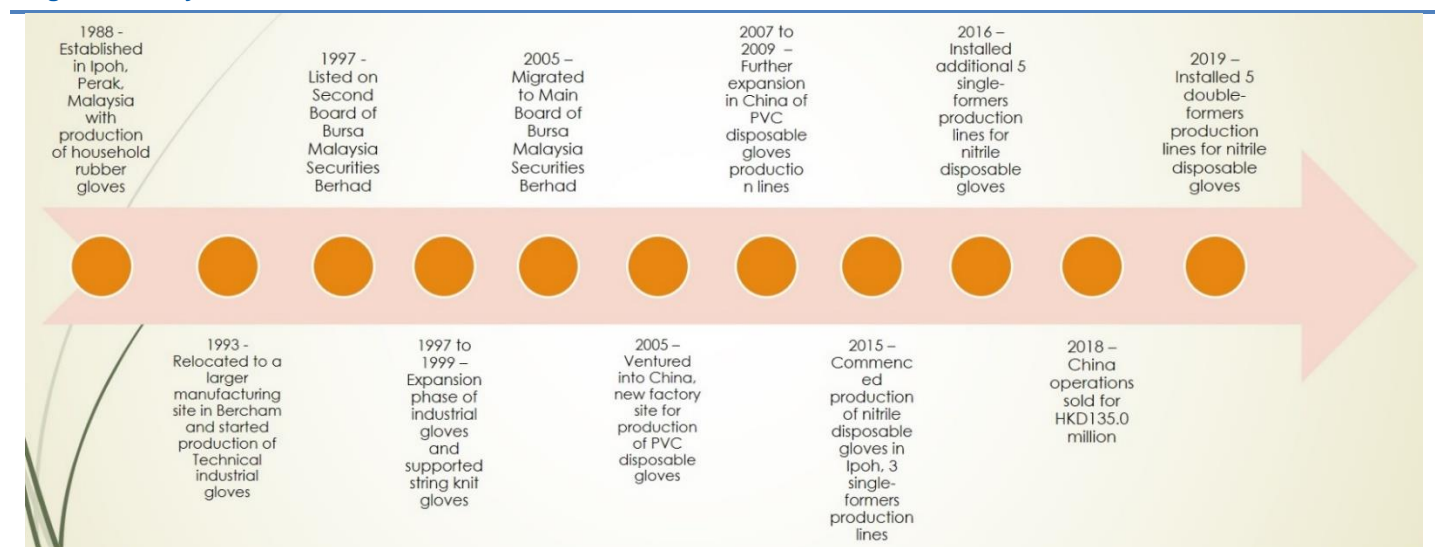
Source: Company

Figure 21: One of Rubberex's products: industrial gloves



Source: Company

Figure 22: Key milestones



Source: Company

Board Of Directors/Key Management

Strong management team. Managing director Khoo Chin Leng has more than 30 years of experience in the rubber gloves manufacturing industries. He is a member of the Malaysian Institute of Accountants(MIA) and a fellow member of the Chartered Association of Certified Accountants (FCCA), UK. The company’s chairman, Dato’ Abdul Rahim Abdul Halim, has been with Rubberex for 18 years.

Board of directors

Dato’ Ong Choo Meng, non-independent non-executive director. Owing 32.5% stake in the company, he was appointed to the board on 23 April. He is currently the executive director of Hextar Global and also the non-independent non-executive director of SCH Group. Dato’ Ong graduated from RMIT University, Australia and holds a Finance and Investment degree.

Dato’ Abdul Rahim Abdul Halim, non-independent non-executive chairman. He has been with Rubberex for 18 years. Prior to this, he was from the Ministry Of International Trade and Industry (MITI) prior to joining the private sector. Formerly the managing director of MBM Resources (MBM MK, BUY, TP: MYR3.80), he is currently its chairman. Dato’ Abdul Rahim graduated from the University of Malaya and holds a Bachelor of Economics (Honours) degree.

Dato’ Mohamed Hamzah, independent non-executive director. He was appointed to the board of the company since 1996 and served as chairman from 1998 to 2014. He then opted for the re-designation to deputy chairman. He is currently the chairman of the Audit Committee and a member of the Nomination and Remuneration Committees of the Board. Dato’ Mohamed has a Master’s degree in Business Administration from the University of Edinburgh, UK.

Sharifuddin Shoib, non-independent non-executive director. He was appointed to the board of the company in 1996. Currently, he is a non-executive chairman of OKA Corp (OKAC MK, NR). Mr Sharifuddin holds a Bachelor of Engineering (Mechanical) degree from Australia.

Mustapha bin Mohamed, independent non-executive director. He was appointed as director since 2008. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. Mr Mustapha is a fellow member of the Association of Chartered Certified Accountants (ACCA), a Chartered Accountant with the MIA and Certified Public Accountants (Malaysia).

Poh Chee Kwan, non-independent non-executive director. He was appointed as a director in 2016. Currently, he is the chairman of Nomination Committee. Mr Poh graduated from the National University of Singapore with Bachelor of Engineering (Honours).

Key senior management

Khoo Chin Leng, managing director. He has been with Rubberex for 32 years and has held various positions within the finance division. Before joining Rubberex, Mr Khoo has worked with IJM Corp (IJM MK, NEUTRAL, TP: MYR1.57) for five years as accountant. Mr Khoo is a member of MIA and a fellow member of FCCA, UK.

Khoo Thiam Chye, group vice president for Malaysia operations. Mr Khoo has been with Rubberex for 29 years. Before joining Rubberex, he was a project executive with IGB Corp (IGBB MK, NR) for two years. Mr Khoo graduated from Queen’s University in Belfast, UK with Bachelor of Arts (Honours).

Sabri Abd Hamid, group vice president for disposable gloves division. En. Sabri has been with Rubberex for 26 years. Prior to joining Rubberex, Mr Sabri was the assistant manager of Franchise Foodstores in USA. He graduated from the University of North Carolina, US with Bachelor of Economics and Statistics.

Recommendation Chart



Date	Recommendation	Target Price	Price
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Source: RHB, Bloomberg

Source: RHB, Bloomberg

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