



COMFORT GLOVES BERHAD

193701000006 (852-D)

Annual  
Report  
**2023**

Care begins with  
**COMFORT**



# 83<sup>rd</sup> Annual General Meeting

**Day and Date**  
Monday, 27 May 2024

**Time**  
10.00 a.m.

**Broadcast Venue**  
Summit 1, 3rd Floor, Wisma Westcourt,  
No.126, Jalan Klang Lama,  
58000 Kuala Lumpur, Malaysia.

**Online Meeting Platform**  
<https://meeting.boardroomlimited.my>



Scan this QR code to find out more about  
our Annual Report 2023 from our website



Comfort Gloves Berhad establishes a strong connection with customers to ensure consistency of **quality precision**. We innovate solution for our wide range of quality gloves in order to consistently improve better for our customers, **progressively achieves** better position as a pre-eminent player in the glove manufacturing industry worldwide.

# Table of Contents

## ABOUT US

1

About Comfort Gloves Berhad	2
Vision, Mission and Core Values	2
At a Glance	4
Group Structure	5
Corporate Information	6

## LEADERSHIP AND PEOPLE

2

Profile of Directors	7
Profile of Key Senior Management	10

## PERFORMANCE REVIEW

3

Chairman's Statement	11
Management Discussion and Analysis	14
Sustainability Statement	21
Event Highlights	46

## CORPORATE GOVERNANCE

4

Corporate Governance	48
Overview Statement	
Audit Committee Report	60
Statement on Risk Management	64
and Internal Control	
Additional Compliance Information	70
Directors' Responsibility Statement	71

## FINANCIAL STATEMENTS

5

Directors' Report	73
Statements of Financial Position	78
Statements of Profit or Loss and Other	
Comprehensive Income	80
Statements of Changes in Equity	81
Statements of Cash Flows	83
Notes to the Financial Statements	87
Statement by Directors	144
Statutory Declaration	145
Independent Auditors' Report	146

## OTHERS

6

List of Properties Held	151
Statistics on Shareholdings	154
Directors' Shareholdings	155
Substantial Shareholdings	155
List of Top 30 Holders - Ordinary Shares	156
Analysis of Warrant B Holdings	158
Notice of Annual General Meeting	162

Form of Proxy



# About Comfort Gloves Berhad

Comfort Rubber Gloves Industries Sdn. Bhd. (CRG) was established in 1993 as the glove manufacturing subsidiary of Comfort Gloves Berhad (Formerly known as Integrated Rubber Corporation Berhad (IRCB) which is listed on the main board of Malaysia's Stock Exchange – BMSB (Bursa Malaysia Securities Berhad). Located in Taiping, Perak, CRG's factory is equipped with advanced machineries and operations that are capable of producing wide range of quality gloves. Currently, our gloves are exported to various region of the world.

**Vision** To be the market leader in providing safe gloves



**Mission** Making a difference where it matters



## Core Values

Reliability

Quality

Safe



**6**

PLANTS



**53**

LINES



**6**

BILLION PIECES  
PER YEAR

# At a Glance

## Financial Highlights

### REVENUE

RM

**325.89 million**

RM606.68 million (2022)

### NET LOSS

RM

**36.81 million**

RM42.30 million (2022)

### LOSS BEFORE TAX

RM

**47.96 million**

RM60.16 million (2022)

### CAPITAL EXPENDITURE

RM

**14.03 million**

RM50.19 million (2022)

### TOTAL ASSETS

RM

**964.07 million**

RM990.58 million (2022)

### NET CASH FLOWS GENERATED FROM OPERATIONS

RM

**11.37 million**

RM38.30 million (2022)

## Sustainability Highlights

Contribution of

**3.2 million**

pieces of gloves for humanitarian aid



Donation of groceries aid to

**350**

households



Adoption of

**two (2) animals**

in support of Taiping Zoo adoption program



Donation of

**school essentials**

to primary and secondary school students



Conduct

**3R & e-waste campaign**

to create awareness among employees and students

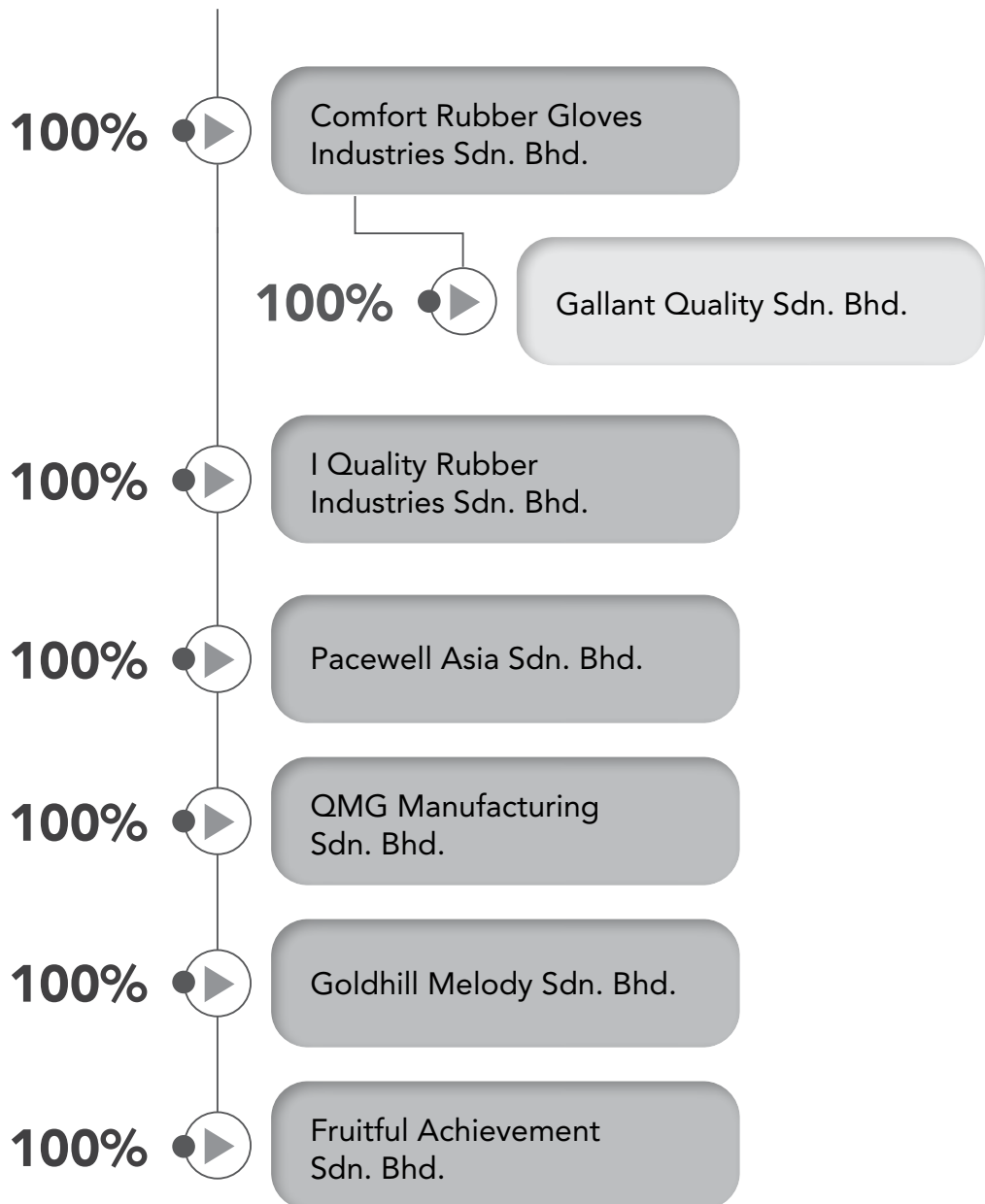


# Group Structure



**COMFORT GLOVES BERHAD**

193701000006 (852-D)



# Corporate Information

## Directors

**Tan Sri Dato' Lau Eng Guang**  
Executive Chairman

**Lau Joo Pern**  
Executive Director

**Khoo Chie Yuan**  
Independent Non-Executive  
Director

**Lau Joo Yong**  
Executive Director cum  
Group Chief Executive Officer

**Chu Nyet Kim**  
Independent Non-Executive  
Director

**Datuk Amnah Binti Ibrahim**  
Independent Non-Executive  
Director

### Audit Committee

Chu Nyet Kim (*Chairman*)  
Khoo Chie Yuan  
Datuk Amnah Binti Ibrahim

### Nomination Committee

Datuk Amnah Binti Ibrahim (*Chairman*)  
Khoo Chie Yuan  
Chu Nyet Kim

### Remuneration Committee

Khoo Chie Yuan (*Chairman*)  
Datuk Amnah Binti Ibrahim  
Chu Nyet Kim

### Committee to Review Press or Public Announcements

Lau Joo Yong  
Lau Joo Pern

### Principal Bankers

Malayan Banking Berhad  
United Overseas Bank (Malaysia) Berhad  
HSBC Bank Malaysia Berhad

### Corporate/Operational Office

Comfort Gloves Berhad  
Lot 821, Jalan Matang  
34750 Matang  
Taiping, Perak, Malaysia  
Tel No. : +605-8472 777  
Fax No. : +605-8479 108  
Website : [www.comfort-rubber.com.my](http://www.comfort-rubber.com.my)  
Email : [inquiry@comfort-rubber.com.my](mailto:inquiry@comfort-rubber.com.my)

### Share Registrar

Boardroom Share Registrars Sdn Bhd  
[199601006647 (378993-D)]  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel No. : +603-7890 4700 (Helpdesk)  
Fax No. : +603-7890 4670  
Website : [www.boardroomlimited.com](http://www.boardroomlimited.com)  
Email : [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

### Registered Office

55A, Medan Ipoh 1A  
Medan Ipoh Bistari  
31400 Ipoh, Perak Darul Ridzuan, Malaysia  
Tel No. : +605-5474 833  
Fax No. : +605-5474 363  
Email : [boardroom-kl@boardroomlimited.com](mailto:boardroom-kl@boardroomlimited.com)

### Secretaries

Chan Eoi Leng  
(SSM PC No. 202008003055)  
(MAICSA 7030866)

Chong Kwai Yoong  
(SSM PC No. 202308000244)  
(MAICSA 7075434)

### Auditors

KPMG PLT  
Level 10, KPMG Tower  
No.8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel No. : +603-7721 3388  
Fax No. : +603-7721 3399

### Stock Exchange Listing

Main Board of Bursa Malaysia Securities Berhad  
Stock Code: 2127  
Stock Short Name: COMFORT



# Profile of Directors

**Tan Sri Dato' Lau Eng Guang**  
*Executive Chairman*

**Age: 69    Gender: Male    Nationality: Malaysia**

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**Date of Appointment**  
5 March 2021

**Academic / Professional Qualifications**

- South Australian - Matriculation

**Date of Last Re-Election**  
22 May 2023

**Other Directorship(s) in Public Companies and Listed Issuers**

- Leong Hup International Berhad

**Length of Services  
(as at 26 April 2024)**  
3 years 1 month

**Past Directorships and/or Appointments / Working Experience:**

Tan Sri Dato' Lau Eng Guang has experience and skills in manufacturing and trading of latex gloves as he is also the Executive Director in the Company's major subsidiary since year 2015. He also has over 41 years of experience and expertise in the integrated livestock industry. He is also a trustee of Lau Eng Guang Dialysis Charitable Foundation.

**Board Meeting Attended**  
5/5

**Family Relationship / Conflict of Interest**

- He is the father to Lau Joo Yong and uncle to Lau Joo Pern, who are the Executive Director cum Group Chief Executive Officer and Executive Director of the Company respectively.
- He is the spouse of Puan Sri Goh Kim Kooi, who is the major shareholder of the Company.
- He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

**Board Committees  
Memberships**  
N/A

**Conviction of Offence**

He has not been convicted for any offence within the past 5 years and have not been imposed any penalty by relevant regulatory bodies during the financial year.

**Lau Joo Yong**  
*Executive Director cum  
Group Chief Executive Officer*

**Age: 37    Gender: Male    Nationality: Malaysia**

---

**Date of Appointment as  
Executive Director**  
9 September 2014

**Academic/Professional Qualifications**

- Bachelor of Business Administration, East London University

**Date of Appointment as  
Group Chief Executive  
Officer**  
31 March 2021

**Other Directorship(s) in Public Companies and Listed Issuers**  
Nil

**Date of Last Re-Election**  
31 May 2022

**Past Directorships and/or Appointments/Working Experience:**

He was the Chief Operating Officer for Peninsular Forest Management Sdn. Bhd., a Business Development Manager for Alam Muhibah Sdn. Bhd. and a Business Development Manager for Ikatan Kanyangan Sdn. Bhd. He is also a trustee of Lau Eng Guang Dialysis Charitable Foundation.

**Length of Services  
(as at 26 April 2024)**  
9 years 7 months

**Family Relationship/Conflict of Interest**

- He is the son of Tan Sri Dato' Lau Eng Guang, who is the Executive Chairman and major shareholder of the Company.
- He is also the son of Puan Sri Goh Kim Kooi, who is the major shareholder of the Company.
- He is the cousin of Lau Joo Pern who is the Executive Director of the Company.
- He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

**Board Meeting Attended**  
5/5

**Board Committees  
Memberships**  
N/A

**Conviction of Offence**

He has not been convicted for any offence within the past 5 years and have not been imposed any penalty by relevant regulatory bodies during the financial year.

# Profile of Directors (Cont'd)

**Lau Joo Pern**  
Executive Director

**Age: 43    Gender: Male    Nationality: Malaysia**

**Date of Appointment**

30 January 2015 as  
Non-Independent  
Non-Executive Director

**Academic / Professional Qualifications**

- Bachelor of Accounting and Financial Management, University of Sheffield, United Kingdom
- Fellow of the Association of Certified Accountants (FCCA)
- Member of the Malaysian Institute of Accountants (MIA)

**Redesignated to Executive Director**

7 January 2021

**Other Directorship(s) in Public Companies and Listed Issuers**

- Nil

**Date of Last Re-Election**

22 June 2021

**Past Directorships and/or Appointments / Working Experience:**

- His experience has spanned over a period of more than 15 years and he has held managerial position with one of the Big Four International Accounting Firm. His working experience included auditing, corporate finance advisory, valuation advisory, agriculture and plantation industry.

**Length of Services (as at 26 April 2024)**

9 years 3 months

**Family Relationship / Conflict of Interest**

- He is a nephew of Tan Sri Dato' Lau Eng Guang, who is the Executive Chairman and major shareholder of the Company and cousin of Lau Joo Yong who is the Executive Director cum Group Chief Executive Officer of the Company.

**Board Meeting Attended**

5/5

- He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

**Board Committees Memberships**

N/A

**Conviction of Offence**

He has not been convicted for any offence within the past 5 years and have not been imposed any penalty by relevant regulatory bodies during the financial year.

**Chu Nyet Kim**  
Independent  
Non-Executive Director

**Age: 68    Gender: Female    Nationality: Malaysia**

**Date of Appointment**

26 July 2022

**Academic/Professional Qualifications**

- Member of Malaysian Institute of Accountants (MIA)
- Fellow Member of Association of Chartered Certified Accountants, United Kingdom (ACCA)
- Diploma in Accounting (Honors), Algonquin College of Applied Arts & Technology, Canada

**Date of Last Re-Election**

22 May 2023

**Other Directorship(s) in Public Companies and Listed Issuers**

- Leong Hup International Berhad

**Length of Services (as at 26 April 2024)**

1 year 9 months

**Past Directorships and/or Appointments/Working Experience:**

Ms Chu Nyet Kim worked in Deloitte Indonesia since June 1989 and retired on May 2016. Her last position before retirement was Deputy Managing Partner - Tax function Indonesia, Leader of Global Employer Services & Tax Risk Management Leader. She has been a Commissioner of PT PZ Cussons Indonesia, Jakarta, Indonesia since October 2016 and an Independent Director of Leong Hup International Berhad since August 2018.

**Board Meeting Attended**

5/5

**Family Relationship/Conflict of Interest**

She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

**Board Committees Memberships**

- Audit Committee, Chairman
- Nomination Committee, Member
- Remuneration Committee, Member

**Conviction of Offence**

She has not been convicted for any offence within the past 5 years and have not been imposed any penalty by relevant regulatory bodies during the financial year.

# Profile of Directors (Cont'd)

**Khoo Chie Yuan**  
*Independent  
Non-Executive Director*

**Age: 66    Gender: Male    Nationality: Malaysia**

**Date of Appointment**  
7 January 2021

**Academic/Professional Qualifications**

- Diploma in Business Administration, Institute of Business Administration, Australia.
- Diploma in General Insurance, Australian Insurance Institute.

**Date of Last Re-Election**  
22 June 2021

**Other Directorship(s) in Public Companies and Listed Issuers**  
Nil

**Length of Services  
(as at 26 April 2024)**  
3 years 3 months

**Past Directorships and/or Appointments/Working Experience:**

Mr Khoo Chie Yuan is a retiree who had worked for AmBank Group as SME Segment Senior Manager for the past 34 years before his retirement in June 2019.

**Board Meeting Attended**  
5/5

He has vast experience and skills in the field of sales, management and marketing in banking and finance areas.

**Board Committees  
Memberships**

- Audit Committee, Member
- Nomination Committee, Member
- Remuneration Committee, Chairman

**Family Relationship/Conflict of Interest**

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

**Conviction of Offence**

He has not been convicted for any offence within the past 5 years and have not been imposed any penalty by relevant regulatory bodies during the financial year.

**Datuk Amnah Binti Ibrahim**  
*Independent  
Non-Executive Director*

**Age: 66    Gender: Female    Nationality: Malaysia**

**Date of Appointment**  
19 July 2022

**Academic/Professional Qualifications**

- STPM, Sekolah Datuk Bentara Luar Batu Pahat Johor

**Date of Last Re-Election**  
22 May 2023

**Other Directorship(s) in Public Companies and Listed Issuers**  
Nil

**Length of Services  
(as at 26 April 2024)**  
1 year 9 months

**Past Directorships and/or Appointments/Working Experience:**

Datuk Amnah Binti Ibrahim has more than 20 years working experience in the field of human resource and general affair. The last designation was Human Resource Director and General Affair Manager before she relinquished the positions in 2003. She then was appointed as Managing Director of Armada Baiduri Sdn. Bhd., a construction company with CIDB G7 License since 2003.

**Board Meeting Attended**  
4/5

**Family Relationship/Conflict of Interest**

She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

**Conviction of Offence**

She has not been convicted for any offence within the past 5 years and have not been imposed any penalty by relevant regulatory bodies during the financial year.

**Board Committees  
Memberships**

- Audit Committee, Member
- Nomination Committee, Chairman
- Remuneration Committee, Member

# Profile of Key Senior Management

**Leong Wai Leong**  
*Vice President cum  
Chief Financial Officer*

**Age: 51    Gender: Male    Nationality: Malaysia**

**Date of Appointment**  
15 April 2022

## **Academic/Professional Qualifications**

- A member of Malaysia Institute of Certified Public Accountants (MICPA)
- A member of Malaysia Institute of Accountants (MIA)

## **Other Directorship(s) in Public Companies and Listed Issuers**

- Nil

## **Working Experience:**

Mr. Leong started his career as Audit Assistant for Ernst & Young in 1993. His involvement in gloves manufacturing industries started when he joined a glove manufacturing company named Asia Pacific Latex Sdn Bhd in 1998 as Account Supervisor. He was subsequently promoted as Account Executive and Corporate Affairs Manager when the company being listed on Bursa Malaysia in year 2000. After he obtained his MIA membership, he joined Carsem Semiconductor Sdn Bhd, a subsidiary of a PLC as Accountant. In year 2002, he moved to China to join a company ventured by a PLC in Malaysia named Kanzen TPCO Limited as Financial Controller. In year 2005, he joined a gloves manufacturing company, WRP Asia Pacific Sdn Bhd as Internal Audit Manager and later being promoted as the Personal Assistant to CEO and became the President of the company before he left in 2015. In year 2016, he joined Trio-Tech (M) Sdn Bhd, a subsidiary of a US PLC as Finance Manager to take charge the finance operation in Malaysia and China. In year 2020, he rejoined WRP Asia Pacific Sdn Bhd as President and he joined Comfort Gloves Berhad in year 2021 as Vice President.

## **Family Relationship/Conflict of Interest**

He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

## **Conviction of Offence**

He has not been convicted for any offence within the past 5 years and have not been imposed any penalty by relevant regulatory bodies during the financial year.

# Chairman's Statement

## DEAR OUR ESTEEMED SHAREHOLDERS,

On behalf of the Board of Directors ("Board"), with a sense of reflection and determination, I hereby present the Annual Report and Audited Financial Statements of Comfort Gloves Berhad ("CGB" or "the Company") and its subsidiaries ("the Group" or "CGB Group") for the financial year ended 31 December 2023 ("FYE 2023"). FYE 2023 continue to be another year that marked by significant challenges and adjustments for CGB Group, particularly in light of the notable reduction in revenue compared to FYE 2022. Despite facing headwinds and navigating through unprecedented market dynamics, our commitment to resilience, innovation, and operational excellence has remained unwavering.

### BUSINESS ENVIRONMENT

Notwithstanding resounding profits during the Covid-19 pandemic, the gloves industry experienced a slowdown as the endemic phase set in since 2022. 2023 remained challenging for the industry as companies within the sector grappled with the aftermath of aggressive expansion during the peak of the pandemic.

According to Malaysian Rubber Council, Malaysia's export of rubber products drops by 26.1% to reach RM20.1 billion in 2023 compared to RM27.2 billion in 2022, in which export of rubber gloves has dropped by 37.8%, from RM19.04 billion in 2022 to RM11.84 billion in 2023.

The decrease in the export of rubber gloves was mainly attributable to the intense competition from oversea

manufacturers, softer demand as well as excessive stockpiling by consumers. These factors have contributed to the plunging of the average selling prices ("ASP") in gloves market in first half of the year.

Furthermore, the rubber gloves industry had to deal with the increasing production cost arising from the hike in labour costs following the first full financial year implementation of the minimum wage policy in accordance to Minimum Wages Order 2022, fluctuation in raw material costs particularly natural rubber latex and nitrile latex, as well as the increase in tariffs of electricity and natural gas

### FINANCIAL PERFORMANCE

In the face of a challenging business landscape, the Group recorded revenue of RM325.88 million, representing



### REVENUE

RM **325.88 million**

RM 606.68 million (2022)

a 46.3% decline from the revenue of RM606.68 million recorded in FYE 2022. The decrease was primarily driven by the softer demand coupled with lower ASP in the first half of the year for gloves following the subdue of the Covid-19 pandemic.

Despite a 46.3% decline in revenue, our Group managed to reduced the net loss position by 13% in which the Group posted a net loss of RM36.81 million in FYE 2023 as compared to a net loss of RM42.30 million posted in FYE 2022.

# Chairman's Statement (Cont'd)



## FINANCIAL PERFORMANCE (CONT'D)

Although the Group recorded a net loss position in FYE 2023, our financial standing as at 31 December 2023 remains strong and healthy. We maintain a robust cash and cash equivalent of RM141.18 million and our Group's total equity stood at RM869.71 million, with a net assets per share of RM1.49.

For further insights into our financial and operational performance, please refer to our Management Discussion and Analysis section of this Annual Report.

## CORPORATE GOVERNANCE

A sound corporate governance is essential in supporting business efficiency and sustainability in the long run. At CGB, we reaffirm our unwavering commitment to adhering to the best practices of corporate governance. We prioritise compliance with regulatory requirements, promote ethical business practices and strive to ensure transparency and integrity in our decision-making process. Through these efforts, we aim to create sustainable value for our various stakeholders.

For further insights into our measures in upholding corporate governance, please refer to our Corporate Governance Overview Statement ("CG Overview Statement") of this Annual Report and the Corporate Governance Report ("CG Report").

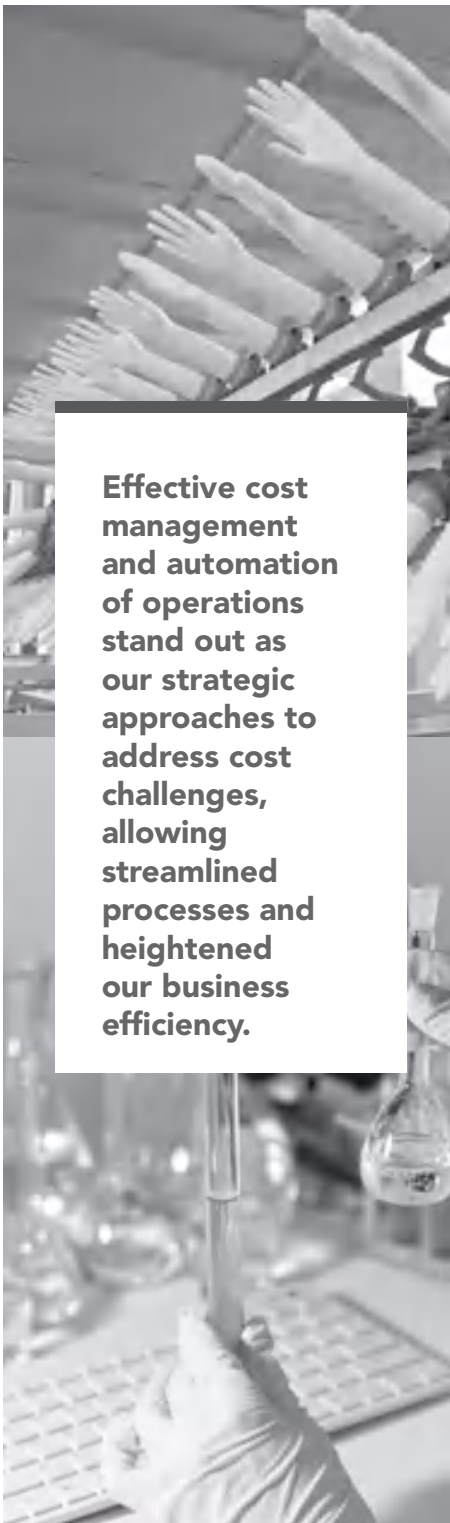
## SUSTAINABILITY COMMITMENT

We recognise the importance of integrating appropriate sustainability practices into our business operations as we pursue growth in a sustainable and meaningful way. Our approach takes into consideration factors within Economic, Environmental, Social and Governance ("EESG") pillars.

We are committed to minimise our environmental footprint by adopting eco-friendly manufacturing processes, reduce electricity and gas consumption and recycle domestic waste, where possible. Additionally, we prioritise social sustainability by fostering a safe, inclusive and equitable workplace for our employees and actively engage with local communities to drive initiatives that bring positive social impacts.

Throughout FYE 2023, our Group has actively participated in various corporate social responsibilities ("CSR") initiatives such as contributed wooden pallets to Bomba Taiping for their DIY projects as well as sponsored smart televisions and ceiling fans to the school so as to enhance the learning environment for students.

For further insights into our sustainability commitments and strategies, please refer to our Sustainability Statement of this Annual Report.



**Effective cost management and automation of operations stand out as our strategic approaches to address cost challenges, allowing streamlined processes and heightened our business efficiency.**

## **FUTURE OUTLOOK**

Despite the ongoing challenging time faced by rubber gloves industry in view of the oversupply situation coupled with escalating production cost, we remain cautiously optimistic towards our long-term prospects.

The increased emphasis on hygiene and safety protocols, even as the pandemic wanes, is anticipated to maintain the demand for gloves across diverse sectors including healthcare, industrial, and food and beverage.

Looking ahead, we remain committed to monitor the industry developments closely and shall make strategic decisions to optimise profitability and business performance. Effective cost management and automation of operations stand out as our strategic approaches to address cost challenges, allowing streamlined processes and heightened our business efficiency. Alongside, we are poised to seize opportunities as they arise in this ever-evolving market landscape.

## **APPRECIATION**

On behalf of the Board, I extend my heartfelt appreciation to all our shareholders, customers, business and industry partners as well as relevant authorities and regulators for their unwavering support and confidence in the Group.

I also extend my sincere gratitude to the Board members, management team and employees, for their strong dedication and resilience in navigating challenging times together, and for their efforts in steering the Group toward sustainable business growth.

As we look to the future, we remain steadfast on our core values of reliability, quality, and safety. With the continued supports and our collective efforts, I am confident that we will overcome obstacles and achieve sustainable growth and success in the years ahead.

Thank you.

**Tan Sri Dato' Lau Eng Guang**

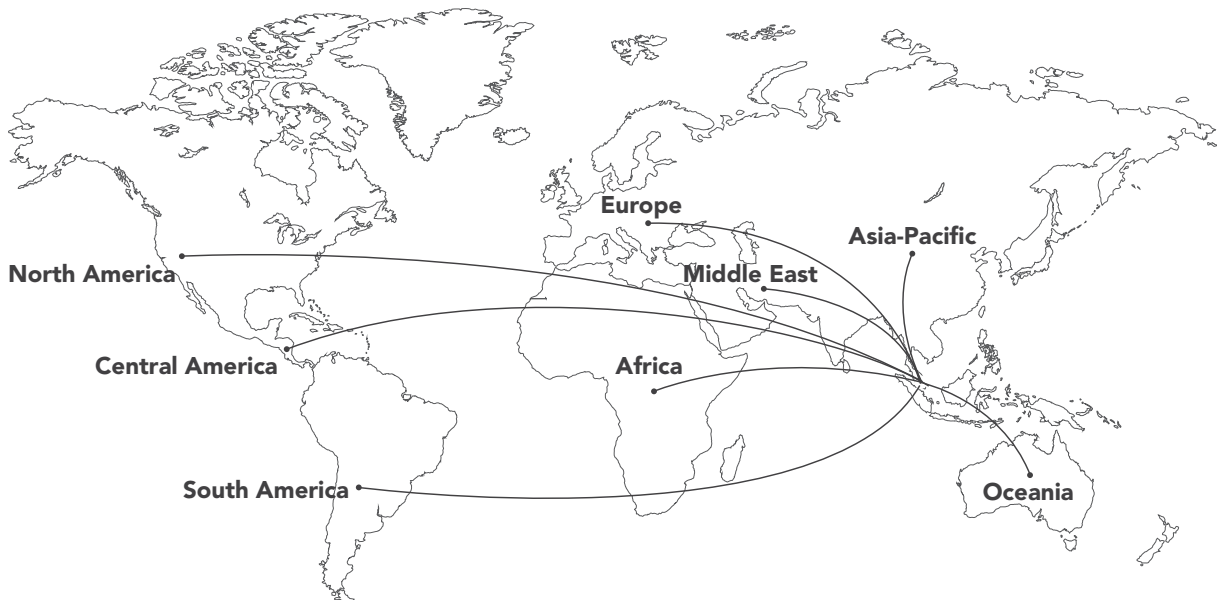
Executive Chairman

16 April 2024

# Management Discussion and Analysis

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

With more than 30 years' experience in rubber gloves industry, CGB Group is capable of manufacturing and trading of natural and synthetic rubber examination gloves in various spectrums of size, surface textures, length and colours. Our products are widely used in various industries, including industrial, food, laboratory, healthcare, dental, beauty, tattoo and veterinary. Currently, our gloves are exported to various region of the world.



We have six (6) manufacturing plants with a total of fifty-three (53) manufacturing lines, all located at Taiping, Perak. These plants are equipped with advanced machineries and equipment, capable of producing a wide range of quality gloves with an annual capacity of 6 billion pieces.

Our vision is to be the market leader in providing safe gloves. We firmly believe in fostering collaborative partnerships with our customers, leveraging their insights and needs to develop specialised products tailored to offer superior protection across various applications.

In our pursuit of innovation, we place a strong emphasis on research and development, continuously striving to push the boundaries of technological advancement. Our agile manufacturing processes allow us to swiftly adapt and respond to evolving market demands, ensuring that we deliver the precise level of protection required, in optimal quantities, to the right clientele. Through this commitment to excellence and innovation, we aim not only to meet but exceed the expectations of our customers, setting new standards for safety and reliability in the industry.



# Management Discussion and Analysis (Cont'd)

## FINANCIAL REVIEW

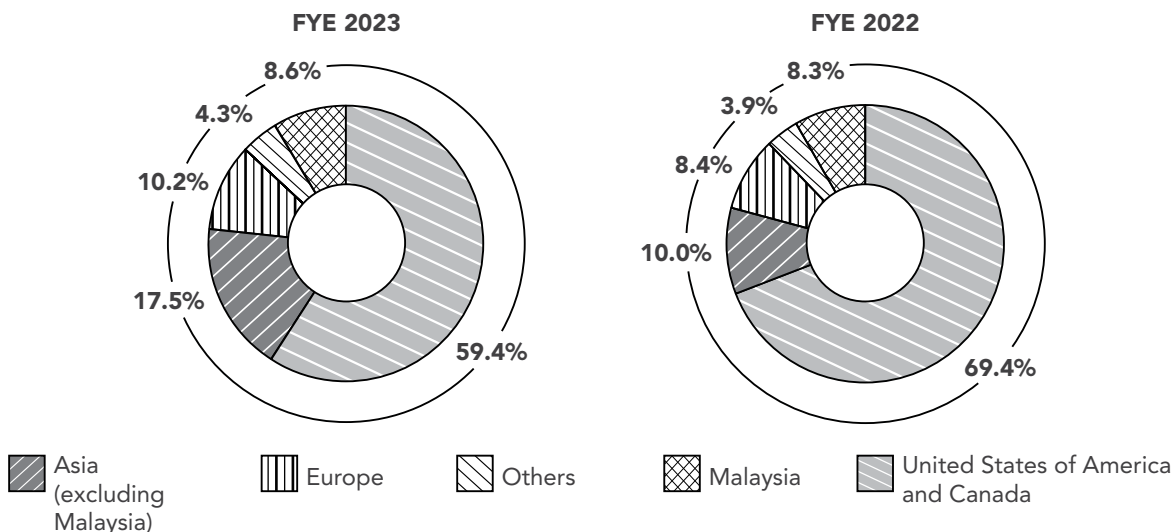
### Financial Performance Review

	FYE 2023	FYE 2022	Variance	
	RM'000	RM'000	RM'000	%
<b>FINANCIAL RESULTS</b>				
Revenue	<b>325,883</b>	606,680	(280,797)	(46.3)
Gross loss ("GL")	<b>(23,869)</b>	(28,366)	4,497	(15.9)
Loss before tax ("LBT")	<b>(47,963)</b>	(60,160)	12,197	(20.3)
Loss after tax ("LAT")	<b>(36,813)</b>	(42,304)	5,491	(13.0)
<b>Financial Ratios</b>				
GL margin (%)	<b>(7.3)</b>	(4.7)	-	(2.6)
LBT margin (%)	<b>(14.7)</b>	(9.9)	-	(4.8)
LAT margin (%)	<b>(11.3)</b>	(7.0)	-	(4.3)

FYE 2023 continues to be another challenging year for the Group as the gloves industry is still grappled with the effects of the endemic phase that began in 2022. The global recovery from the Covid-19 pandemic resulted in an oversupply in glove market, precipitating a downturn in the glove manufacturing industry. According to Malaysian Rubber Council, the export of Malaysia's rubber gloves has dropped by 37.8%, from RM19.04 billion in 2022 to RM11.84 billion in 2023.

In line with the overall downturn of the glove manufacturing industry, our Group's revenue decreased by 46.3% from RM606.68 million in FYE 2022 to RM325.88 million in FYE 2023. The decrease was mainly attributable to softer demand from both our local and overseas customers throughout FYE 2023, in which our sales volume has decreased by 49.1% as compared to FYE 2022. Lower ASP for our gloves especially during first half of the FYE 2023 has also contributed to the overall decrease in our revenue. Nevertheless, we observed an improvement in the ASP for our gloves towards the last quarter of FYE 2023. As an overall, our ASP has increased by 1.9% as compared to FYE 2022.

Our revenue segmentation by geographical markets for FYE 2023 and FYE 2022 are as follow: -



# Management Discussion and Analysis (Cont'd)

## FINANCIAL REVIEW (CONT'D)

### Financial Performance Review (Cont'd)

Our revenue was mainly derived from overseas market, which accounted for 91.4% of our total revenue in FYE 2023 and 91.7% of our total revenue in FYE 2022. Similar to the geographical spread of our revenue percentage in FYE 2022, United States of America and Canada remained as our primary revenue contributor, contributing RM193.51 million or 59.4% of our total revenue in FYE 2023, followed by Asia countries (excluding Malaysia) as the second-largest revenue contributor, contributing RM57.15 million or 17.5% of our total revenue in FYE 2023.

The decrease in revenue as explained above coupled with escalated production costs including higher cost of industrial chemicals used in our production, freight costs, packaging materials, energy costs, labour costs, natural rubber costs and higher electricity tariffs have posted a double whammy effect to our Group's financial performance.

Despite a higher GL position, our Group managed to minimise the LBT and LAT position by 20.3% and 13.0% respectively, in which the Group posted a LAT of RM36.81 million in FYE 2023 as compared to a LAT of RM42.30 million in FYE 2022. The improvement was mainly attributable to:

- (i) decrease in selling and marketing expenses by 64.0%, in line with the overall decrease in our revenue;
- (ii) decrease in cost of sales by 44.9%, partly due to reversal of inventory written down amounting to RM7.04 million;

### Financial Position Review

	FYE 2023 RM'000	FYE 2022 RM'000	Variance RM'000	%
<b>FINANCIAL POSITIONS</b>				
Total assets	964,071	990,585	(26,514)	(2.7)
Total liabilities	94,366	98,538	(4,172)	(4.2)
Equity attributable to equity holders of the Company	869,705	892,046	(22,341)	(2.5)
<b>Financial Ratios</b>				
Gearing ratio (times)	0.05	0.04		
Current ratio (times)	6.06	6.02		

Our Group's total assets decreased by RM26.51 million or 2.7%, from RM990.59 million as at 31 December 2022 to RM964.07 million as at 31 December 2023. The decrease was mainly attributed to:

- (i) the decrease in our inventory by RM24.39 million, following to our strategy to maintain a lower inventory level in view of lower sales orders while we have made a provision of slow moving inventory of RM12.71 million during FYE 2023; and
- (ii) the decrease in our trade receivables by RM13.14 million, in line with the decrease in our revenue while we have made an impairment on a specific trade receivable amounting to RM5.85 million during FYE 2023.

# Management Discussion and Analysis (Cont'd)



## FINANCIAL REVIEW (CONT'D)

### Financial Position Review (Cont'd)

The overall decrease in our total assets was partially offset by the increase in our cash and cash equivalent ("CCE") by RM6.62 million.

Our Group's total liabilities decreased by RM4.17 million or 4.2% from RM98.54 million as at 31 December 2022 to RM94.37 million as at 31 December 2023. The decrease was mainly due to decrease in trade payables by RM3.53 million, in line with the decrease in our cost of sales.

As at 31 December 2023, our Group recorded a slightly higher gearing ratio of 0.05 times as compared to 0.04 times recorded as at 31 December 2022, mainly due to higher utilisation of bill payables to fund our working capital.

Nevertheless, our Group's financial position remains solid with CCE of RM141.18 million and a current ratio of 6.06 times as at 31 December 2023, indicating our strong capabilities in repaying the short-term obligations. As at 31 December 2023, our Group's total equity stood at RM869.71 million, with a net assets per share of RM1.49.

### Cash Flows Review

	FYE 2023	FYE 2022	Variance	
	RM'000	RM'000	RM'000	%
<b>CASHFLOW STATEMENT</b>				
Net cash generated from operating activities	11,369	38,300	(26,931)	(70.3)
Net cash used in investing activities	(13,197)	(74,217)	61,020	(82.2)
Net cash generated from/ (used in) in financing activities	4,197	(58,572)	62,769	107.2
<b>Net changes in CCE</b>	<b>2,368</b>	(94,489)	96,857	102.5
Effect of exchange rate fluctuations	4,251	7,704	(3,453)	(44.8)
CCE at the beginning of the financial year	134,563	221,348	(86,785)	(39.2)
<b>CCE at the end of the financial year</b>	<b>141,182</b>	134,563	6,619	4.9

# Management Discussion and Analysis (Cont'd)

## FINANCIAL REVIEW (CONT'D)

### Cash Flows Review (Cont'd)

In FYE 2023, our Group generated a lower net operating cashflow of RM11.37 million as compared to RM38.30 million in FYE 2022. This was mainly due to the softer financial performance during the financial year, with a lower revenue and trade receivables recognised.

In FYE 2023, net cash used in investing activities of RM13.20 million mainly relates to the purchase of additional property, plant and equipment of RM14.03 million and additions of other investments of RM1.97 million. The cash used in investment activities was partially offset by the interest income from other investments amounting to RM2.72 million.

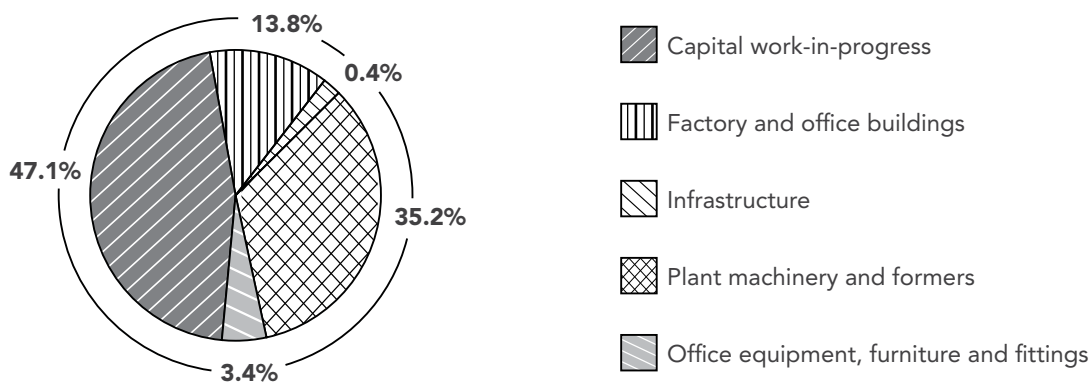
In FYE 2023, net cash generated from financing activities of RM4.20 million mainly due to the net drawdown of bill payables to finance our working capital.

### CAPITAL STRUCTURE, RESERVES AND EXPENDITURE

Our Group funds the operations with cash generated from operations, credit extended by trade suppliers and banking facilities granted by financial institutions, including term loans, finance lease and bill payables.

As at 31 December 2023, the Company has a total share capital of RM142.99 million, comprising of 582,949,143 ordinary shares with a net assets per share of RM1.49. Barring any unforeseen circumstances, our Group shall have adequate working capital to meet our budget requirements after taking into consideration of our CCE at RM141.18 million, current ratio of 6.06 times and a low gearing ratio of 0.05 times.

In FYE 2023, the Group has incurred total capital expenditure of RM14.03 million as follows: -



Expenditure	RM'000
Factory and office buildings	1,942
Infrastructure	63
Plant machinery and formers	4,943
Office equipment, furniture and fittings	473
Capital work in progress	6,613
<b>Total</b>	<b>14,034</b>

# Management Discussion and Analysis (Cont'd)

## CAPITAL STRUCTURE, RESERVES AND EXPENDITURE (CONT'D)

As at 31 December 2023, our capital commitments are as follows: -

Capital Expenditure Commitments	RM'000
Property, plant and equipment	
- approved and contracted for	3,588
- approved but not contracted for	-
	<b>3,588</b>

## RISK RELATING TO OUR BUSINESS

The Group is exposed to certain anticipated or known risks that may affect our operations, performance, financial position and liquidity. Our approach in managing the potential risks is guided by our risk management structure which includes policies and procedures aimed at addressing and mitigating risks.



### Business competition risk

The Group faces stiff competitions from both existing and new players in the glove industry. The heightened competition has led to an oversupply situation.

In an effort to enhance our competitive edge, we have implemented various measures such as develop new products to distinguish the Group from other glove manufacturers and review on product costing regularly to ensure cost efficiency.



### Risk of rising production cost

The Group faces rising production cost, including higher cost of industrial chemicals used in our production, freight costs, packaging materials, energy costs, labour costs, natural rubber costs and higher electricity tariffs.

To mitigate this risk, we expand our pool of approved vendors by accessing to a broader network of vendors or alternative sources of supplies so as to facilitate better price comparison and maintain cost efficiency. Furthermore, we conduct regular review on product costing and pricing to ensure optimal cost management.



### Risk of banning of export

The Group faces risk of banning of export to United States of America and other countries in the event of inconsistent product quality.

In this regard, we have implemented various controls in our manufacturing processes. These include conduct water-tight testing and visual checks during quality assurance inspection, perform chemical testing on compounding and in process chemicals and conduct physical properties testing. Additionally, we conduct weekly quality performance review on barrier defect per million and visual lot acceptance rate as well as conduct regular internal quality audit to ensure our product meets the stringent quality standards.

# Management Discussion and Analysis (Cont'd)

## RISK RELATING TO OUR BUSINESS (CONT'D)



### Credit Risk and risk of insufficient working capital

The Group is exposed to credit risk for non-collection of trade receivables when they fall due. In addition, there is a risk of insufficient working capital should the current loss-making position persist.

To mitigate these risks, we put in place several procedures such as to monitor credit exposure by reviewing credit terms given to customers, negotiate longer credit term with suppliers, reduce inventory level as well as to delay non-urgent capital expenditure.



### Foreign currency risk

The Group incurs foreign currency risk on sales and purchases that are denominated in United States Dollar. We manage those material foreign currency transactions through forward exchange contracts.

## FUTURE PROSPECT AND OUTLOOK

Despite the ongoing challenging time faced by rubber gloves industry in view of the oversupply situation coupled with escalating production cost, we remain cautiously optimistic towards our long-term prospects.

The increased emphasis on hygiene and safety protocols, even as the pandemic wanes, is anticipated to maintain the demand for gloves across diverse sectors including healthcare, industrial, and food and beverage.

According to the research note issued by RHB Investment Bank Berhad dated 5 January 2024, the recent export data suggests a positive demand recovery sign that coincides with steady ASP performance. Further normalisation in gas tariffs and various cost discipline measures in place could eventually propel profitability in 2024. The research house further expects a meaningful demand recovery trend in rubber gloves industry by the second half of 2024 before glovemakers recommence capacity expansions by 2025 or 2026. We are hopeful that this expectation can be materialised.

Looking ahead, we remain committed to monitor the industry developments closely and shall make strategic decisions to optimise profitability and business performance. Effective cost management and automation of operations stand out as our strategic approaches to address cost challenges, allowing streamlined processes and heightened our business efficiency. Alongside, we are poised to seize opportunities as they arise in this ever-evolving market landscape.

## DIVIDEND

The Company does not have any formal dividend policy in place. Any recommendation and declaration of dividends is at the discretion of the Board, subject to various factors, including financial performance, capital expenditure requirements and cash flow management.

Considering the ongoing uncertainties and the imperative to preserve robust cash flow for operational purposes, the Board does not recommend any dividend payment for the FYE 2023.

# Sustainability Statement

## About This Statement

Comfort Gloves Berhad (“CGB” or “the Company”) and its subsidiaries (“the Group” or “CGB Group”) believe that sustainable business operations are vital in meeting the present needs of the Group while not compromising the ability of our future generations in meeting their future needs. It is our desire to fortify the presence of the latter in all initiatives carried out by CGB Group. CGB aspires to be a leading rubber gloves manufacturer of sustainable solutions supported by our sustainability pillars of Environmental, Social and Governance.

## Reporting Scope and Period

The Board of Directors (“the Board”) is pleased to present the Sustainability Statement (“Statement”) for the financial year ended 31 December 2023 (“FYE 2023”) to illustrate our strategic approaches in addressing sustainability challenges and opportunities. This Statement covers the period from 1 January 2023 to 31 December 2023.

## Framework and Guidelines

This Statement is prepared in accordance to Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements relating to sustainability statement, and its Sustainability Reporting Guide (3<sup>rd</sup> Edition).

Reference was made to the United Nations Sustainable Development Goals (“UNSDG”) in mapping our material sustainability matters and developing the Group’s sustainability strategies.

SUSTAINABLE DEVELOPMENT GOALS

BURSA MALAYSIA

## Stakeholders Input

As we progress in our sustainability journey, we value feedback in order for us to adopt continuous enhancement in our sustainability measures and reporting standards. All feedback, comments and enquiries are welcome to be directed to [inquiry@comfort-rubber.com.my](mailto:inquiry@comfort-rubber.com.my)

## Independent Assurance

This Statement has been reviewed by internal auditors. Nevertheless, we are preparing for the Statement to be reviewed by independent assurance in due course.



# Sustainability Statement (Cont'd)

## About CGB

### Sustainability Commitment at CGB

We at CGB strongly advocate the use of natural resources to constitute impactful, sustainable projects that will benefit our community. Furthermore, we are committed to ensuring collaboration with stakeholders in implementing sustainable best business practices and building meaningful social infrastructure in places where we have a presence.

According to the 12th Malaysia plan, Malaysia has set a target in rebuilding a resilient economy for a prosperous, inclusive, and sustainable country by 2025. This is to be achieved in a manner that includes being resilient, low-carbon use and resource-efficient. These can be attained with the help of green growth, which CGB has already begun to do.

Our commitments in delivering sustainable values to various stakeholders are embodied in the Group's vision and mission as follows: -





# Sustainability Statement (Cont'd)

## Our Approach to Sustainability

### Sustainability Governance

The Board is ultimately responsible for the Group's overall sustainability initiatives and strategies. In order to ensure effective implementation of the sustainability strategies within the Economic, Environment, Social and Governance ("EESG") pillars, a multi-tier governing system has been established as follows: -

1. Appointment of Chief Executive Officer with responsibility for the planning and implementation of all sustainability related issues.
2. Introducing Sustainability Team at management level.
3. Identifying Green Stewards at each factory with specific and defined responsibilities for identifying and implementing appropriate measures across the factory.

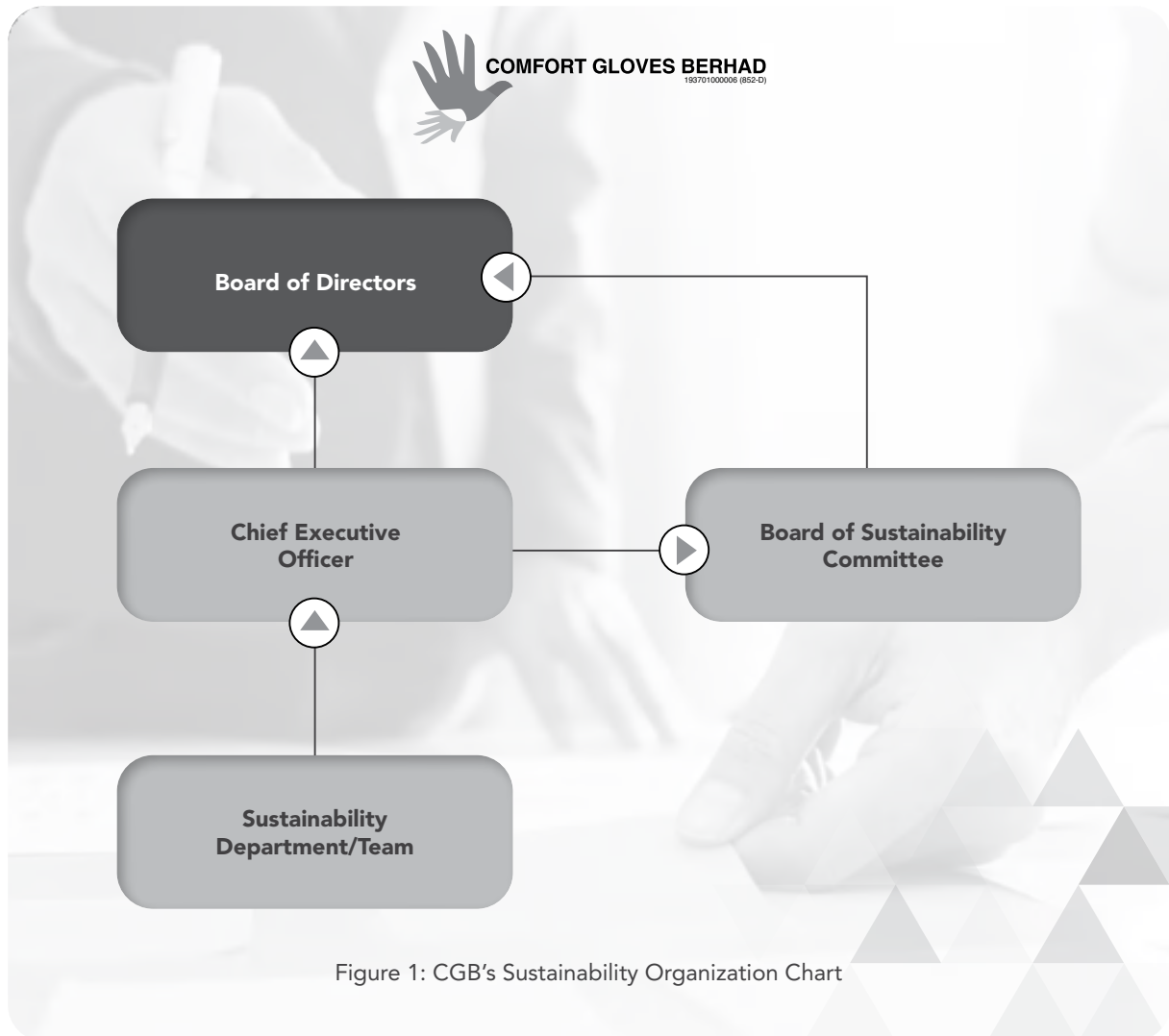








Figure 1: CGB's Sustainability Organization Chart

# Sustainability Statement (Cont'd)

## Stakeholders Engagement

We understand that our stakeholders are imperative to the sustainability of the business and thus, it is essential to build and maintain our connections through better communication. Our engagement approaches with the key stakeholders during FYE 2023 are as follows:

Stakeholder	Areas of Interest/ Objectives	Our Response	Engagement Channels	Frequency
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Sustainable achievements</li> </ul>	<ul style="list-style-type: none"> <li>• Periodical updates of business and financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Annual Reports</li> <li>• Quarterly announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Annually</li> <li>• Quarterly</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Safe, secure and caring working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of health and safety policies</li> <li>• Conduct trainings and development</li> <li>• Maintenance of workforce diversity, equity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Internal communication</li> <li>• Performance appraisal</li> <li>• Training and development programs</li> <li>• Feedback platforms</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly</li> <li>• Annually</li> <li>• As required</li> <li>• As required</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Products</li> <li>• Pricing</li> <li>• Customer experience</li> </ul>	<ul style="list-style-type: none"> <li>• Offer quality products through our quality assurance control</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing activities</li> <li>• Customer surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Annually</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>• Relationship management</li> <li>• Pricing and business development</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and transparent procurement practices</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Face-to-face engagements</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• As required</li> </ul>
<b>Regulators</b> 	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure conformance and compliance to regulatory expectations and requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Consultations</li> <li>• Meetings</li> <li>• Forums</li> <li>• Webinars</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• As required</li> <li>• As required</li> <li>• As required</li> </ul>
<b>Local Communities</b> 	<ul style="list-style-type: none"> <li>• Support community initiatives that will benefit the local areas</li> </ul>	<ul style="list-style-type: none"> <li>• Create meaningful impact through Corporate Responsibility Programs that benefit the communities and environment</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Responsibility activities</li> <li>• Sponsorship programs</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> </ul>

# Sustainability Statement (Cont'd)

## Materiality Assessment Process

Materiality assessment is important for us to identify, analyze and prioritise all material sustainability matters which are relevant to the Group and our stakeholders. We have performed our materiality assessment for FYE 2023 using the following four-step approach: -

### Objectives and Scope

- To identify the Group's sustainability scope and objective



### Identify Material Matters

- To identify the relevant sustainability matters which are relevant to the Group



### Engaging with Stakeholders

- To engage with the identified key stakeholders to understand their concerns, needs and expectations

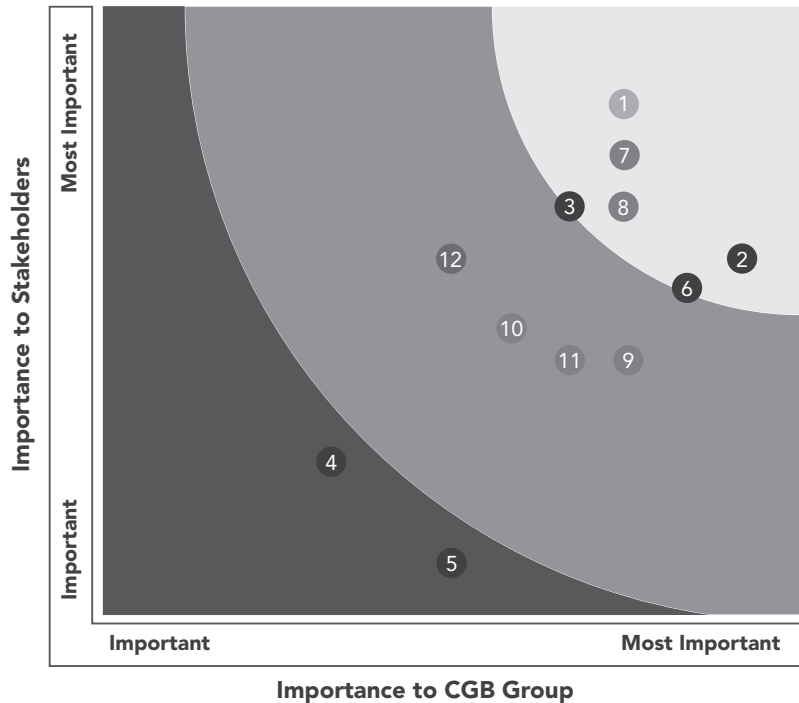


### Review, Validate and Prioritise

- To assess, evaluate and prioritise the identified sustainability matters in accordance to the analysis of their impacts towards the Group and various stakeholders

## Materiality Matrix

Based on our assessment, a total of twelve (12) key areas were identified considering the impacts towards the Group and stakeholders, scaling from "Important" to "Most Important", as depicted in the following Material Matrix: -



### ECONOMIC

- 1 Financial Performance

### SOCIAL

- 7 Employee Health & Safety
- 8 Employee Working Conditions & Labour Practices
- 9 Empowering Local Communities
- 10 Supporting Human Rights
- 11 Diversity, Equity & Inclusion

### ENVIRONMENT

- 2 Waste Management & Recycling
- 3 Energy Management
- 4 Water Management
- 5 Emission Management
- 6 Managing Environmental Impact and Compliance

### GOVERNANCE

- 12 Compliance with Regulations & Standards

# Sustainability Statement (Cont'd)








## Sustainability Charter

The Group believes that sustainable business operations are vital in meeting the present needs of the Group while not compromising the ability of our future generations in meeting their future needs. It is our desire to fortify the presence of the latter in all initiatives carried out by CGB Group.

In this respect, we have strategically mapped ten (10) UNSDGs that relevant to our material sustainability matters and have developed the corresponding sustainability initiatives in the following table. These sustainability initiatives are therefore practical and proactive, with clearly defined goals and milestones that are reviewed regularly. In doing so, the Group strives to be a responsible manufacturer, valued employer as well as a socially responsible corporate citizen.








To monitor our sustainability performance, a detailed and goal-oriented checklists have been established which set out benchmarks for the measurement of our performance. This is in line with the Group's determination to make our own contribution, as acknowledged stewards, of the planet's finite resources and along with those that come through our doors.

The main function of this Sustainability Charter is to provide guidance to the Board of Directors, Board of Sustainability Committee, the Sustainability Department and management in the implementation of the sustainability strategies within the Economic, Environment and Social ("EES") pillars of the Group.

Material Sustainability Matters and UNSDGs	Sustainability Initiatives
<b>ECONOMIC</b> 	
<ul style="list-style-type: none"> <li>Financial Performance</li> </ul> 	<ul style="list-style-type: none"> <li>To sustain business via new products development, improve production efficiency, enhance market presence and increase asset base.</li> </ul>
<b>ENVIRONMENT</b> 	
<ul style="list-style-type: none"> <li>Waste Management &amp; Recycling</li> <li>Energy Management</li> <li>Water Management</li> <li>Emission Management</li> <li>Managing Environmental Impact and Compliance</li> </ul>    	<ul style="list-style-type: none"> <li>To adopt proper waste management and recycling practices.</li> <li>Using renewable energy i.e., Solar PV system to reduce electricity consumption.</li> <li>Rainwater harvesting method to limit the usage of river water and JB water and invested in own raw water treatment plant converting river water into clean water for own consumption.</li> <li>Target to reduce emissions based on the Scope 1, 2 &amp; 3 of emissions management</li> <li>To utilize natural resources diligently and efficiently.</li> <li>To strictly comply with environmental regulations and maintain one Environmental Responsibility Program among employees on an annual basis.</li> </ul>

# Sustainability Statement (Cont'd)

## Sustainability Charter (Cont'd)

Material Sustainability Matters and UNSDGs	Sustainability Initiatives
<b>SOCIAL</b> 	
<ul style="list-style-type: none"> <li>Employee Health &amp; Safety</li> <li>Employee Working Conditions &amp; Labour Practices</li> <li>Empowering Local Communities</li> <li>Supporting Human Rights</li> <li>Diversity, Equity &amp; Inclusion</li> </ul> <div data-bbox="182 713 441 972">     </div>	<ul style="list-style-type: none"> <li>To create a safe, healthy, diverse, and inclusive workplace.</li> <li>To provide on-going training programs and employment related assistance for employees.</li> <li>To connect with and contribute to the community.</li> <li>The Company is a strong advocate for human rights in accordance with Malaysian labour laws and international standards.</li> <li>The Company is committed towards promoting the values of diversity to ensure that the recruitment process is based on merit and fairness. All our employees are treated with equal respect and opportunities irrespective of race, gender, age, religion, nationality, and background.</li> </ul>
<b>GOVERNANCE</b> 	
<ul style="list-style-type: none"> <li>Compliance with Regulations &amp; Standards</li> <li>Anti-Bribery and Corruption (ABAC)</li> </ul> <div data-bbox="182 1183 308 1309">  </div>	<ul style="list-style-type: none"> <li>To strictly adhere to all applicable laws and regulations.</li> <li>To continuously promote ethical business practices and maintain high standards of corporate governance.</li> <li>All suppliers are required to comply with the Company's policies as well as the Code of Conduct and Business Ethics.</li> <li>Committed to conducting our business free from any and all forms of corruption.</li> </ul>

# Sustainability Statement (Cont'd)

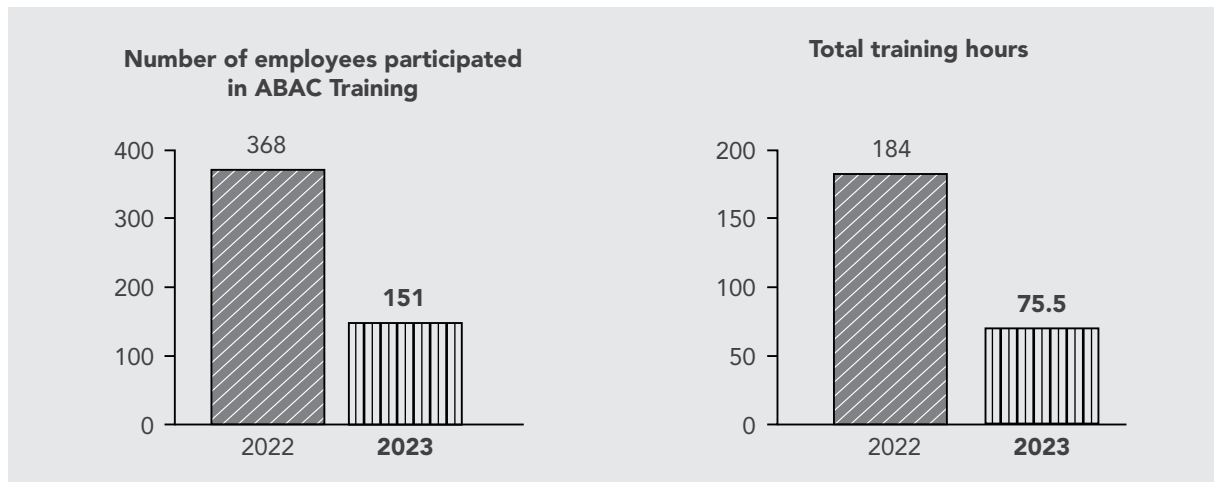
## Compliance, Integrity Highlights & Supply Chain

The Group is committed to conducting our business responsibly, which requires thorough internal control and adhering to all legal and regulatory requirements. It ensures that we conduct our business with integrity and transparency whilst promoting sustainable business practices.



### Anti-Bribery and Corruption ("ABAC")

The Group is committed to conducting our business free from any and all forms of corruption and has conducted our training courses on ABAC in accordance to Section 17A of the Malaysian Anti-Corruption ("MACC") Act 2009 to equip our employees with the ABAC policy. These trainings establish the guiding principles for all employees to manage bribery and corruption risks.



Year	2022	2023*
<b>Employee Training on Anti-Bribery and Corruption</b>		
Number of employees participated in ABAC Training	368	151
Total training hours	184	75.5

Up to year FYE 2023, there are no incidents of corruption and 100% of our operations are assessed for corruption-related risks.

\* New employees are trained together through shorter training sessions in FYE2023 compared to those in FYE2022.



All our policies are made available on the Company's website at <https://www.comfort-rubber.com.my/investor-relations/corporate-governance/>

# Sustainability Statement (Cont'd)

## Compliance, Integrity Highlights & Supply Chain (Cont'd)



### Data Privacy and Protection

The Group is committed to protecting the privacy and confidentiality of the data of our customers and employees to ensure we manage data in accordance to high standards of data privacy. In year 2023, we have recorded zero complaints concerning the breaches of privacy.



### Whistleblowing Policy

The Group has Whistleblowing policy which sets out the reporting channels and procedures that allows confidential avenue for anyone to raise concerns on suspected unethical and improper behavior.

Concerns can be raised via the following channels:

- Email: [whistleblowing@comfort-rubber.com.my](mailto:whistleblowing@comfort-rubber.com.my)
- Anonymous Complaint Mailbox installed at secluded locations within the factory compound.

Upon receipt of the whistleblowing report, an investigation will be initiated and appropriate actions will then be taken accordingly. Whistleblowers who report with good faith will be protected with confidentiality. We are pleased to highlight that we have not received any whistleblowing report during financial year and no employees had been disciplined or dismissed, nor any public cases been brought against CGB Group and its employees due to non-compliance to the laws and regulations. Hence, no relevant fines, penalties or settlements imposed or made during the FYE 2023.

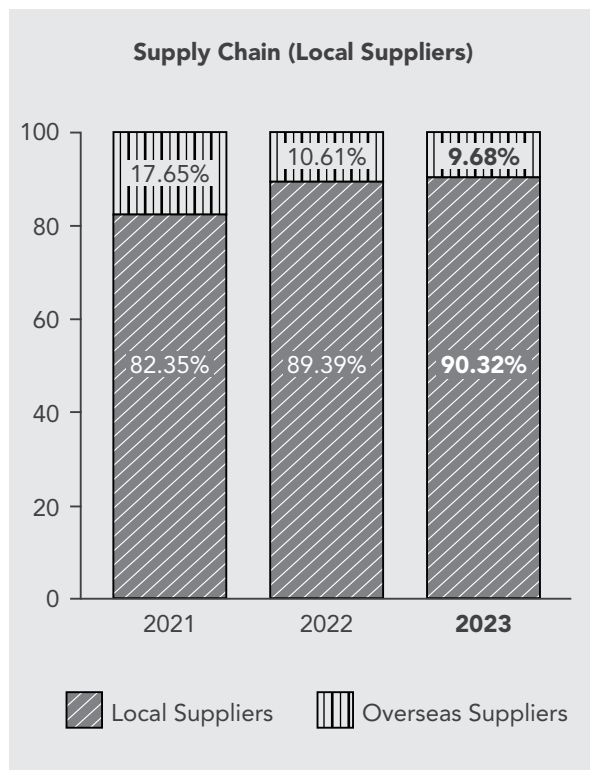


### Supply Chain Management

As we recognize the importance of sustainability of our operations, we continuously choose suppliers who share our commitment to ethical practices, environmental responsibility, and community well-being.

By prioritizing local sourcing, we minimize our environmental footprint and maximize the positive impact of our business. This approach not only ensures the quality and sustainability of our products and services, but also creates jobs and economic opportunities in the communities we serve.

In addition, all suppliers are required to comply with the Group's policies as well as the Code of Conduct and Business Ethics ("the Code"). This shall uphold the business integrity across the Group in business dealings at all times, in particular, the prevention of any potential bribery and/or corruption.



# Sustainability Statement (Cont'd)

## Business Sustainability

### Financial Performance

CGB Group is principally engaged in the manufacturing and trading of nitrile and latex gloves. The Group's strategy is based on profitable and sustainable growth, which is important to our long-term success as a listed company. Our strong financial performance allows us to fulfil our commitments to all stakeholders, from employees and communities to governments and shareholders.

In FYE 2023, the Group's total revenue stood at RM325.88 million, representing a 46.3% decrease as compared to the revenue of RM606.68 million reported in the financial year ended 31 December 2022 ("FYE 2022"). The significant decline in revenue was mainly attributable softer demand from both our local and overseas customers throughout FYE 2023. Please refer to the Management Discussion and Analysis ("MD&A") section of this Annual Report for further details on the Group's financial performance in FYE 2023.

Creating and enhancing the value of our shareholders has always been one of our top priorities. The Group is actively seeking for opportunities to improve its earnings and strengthen its asset base.

Whilst strengthening our asset base, the Group will continue to embark on other strategic efforts such as expanding customer base, developing more specialties gloves and improving production efficiency to enhance our overall profit margin. In an attempt to enhance our market presence, the Group will continue to participate in trade sales in the region and overseas so as to promote in-house brand. We strongly believe that these initiatives shall contribute to the Group's business sustainability in the long run.

### Product Quality and Safety

At CGB, safety, quality, and reliability are the cornerstones of our sustainable business model. We meticulously integrate these values into every stage of our product lifecycle, from concept to design, manufacturing, and production.

Adherence to robust quality management systems and standards, underpins our unwavering commitment to upholding safety and quality principles. This commitment manifested in a zero-incident year, exceeding the expectations of both customers and regulatory bodies.





# Sustainability Statement (Cont'd)

## Environmental Footprint

### Waste Management and Recycling

The Group's manufacturing activities inevitably generate scheduled wastes as follow:

SW 321 (Rubber or latex wastes or sludge containing organic solvents or heavy metals)

SW 204 (Sludge containing one or several metals including chromium, copper, nickel, zinc, lead, cadmium, aluminum, tin, vanadium and beryllium)

SW 409 (Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes)

SW 110 (Waste from electrical and electronic assemblies containing components such as accumulators, mercury-switches, glass from cathode-ray tubes and other activated glass or polychlorinated biphenyl-capacitors, or contaminated with cadmium, mercury, lead, nickel, chromium, copper, lithium, silver, manganese or polychlorinated biphenyl)

Apart from the scheduled wastes above, the Group also generates waste water and chlorine emissions from operations.

To ensure proper scheduled waste management, all scheduled wastes are stored at the designated area with proper labelling and to be declared in the Electronic Scheduled Waste Information System ("eSWIS") under Department of Environment ("DOE") before disposal. All scheduled waste is disposed through licensed scheduled waste contractors within 180 days from generation. All sludge is collected at a collection point for treatment before disposal in order to minimise water contamination. We also collect unused batteries and capacitors in appropriate containers before disposal in an effort to reduce their release to water and soil.

The Group promotes recycling in our operations, wherever possible and appropriate. In this regard, we have been collecting and processing waste materials into new products through our recycling and reuse program. In FYE 2023, we have recycled a total of 210 tonnes of paper and 58 tonnes of plastics. In addition, 173 tonnes of metal are also recycled.

We are also increasing our capacity to recycle domestic waste and we set to further improve its volume and conversion costs by 15% within the next one (1) year. In our operation, imported nitrile ("NBR") latex is kept in huge flexi bag during transportation. Before July 2022, these flexi bags are disposed of as SW 409 through licensed schedule waste collector.



**In FYE 2023, we have recycled a total of 210 tonnes of paper and 58 tonnes of plastics. In addition, 173 tonnes of metal are also recycled.**



**All scheduled wastes are stored at the designated area with proper labelling and to be declared in the Electronic Scheduled Waste Information System ("eSWIS") under Department of Environment ("DOE") before disposal.**

# Sustainability Statement (Cont'd)

## Waste Management and Recycling (Cont'd)

In order to promote recycling and reduce disposal costs, our Compounding Department has started to segregate the outer most canvas-like layer and the middle transparent plastic material from the flexi bags starting from July 2022. As such, only the inner most layer which is contaminated with NBR latex is disposed under SW 409 whereas the canvas-like layer and transparent plastic are sold to scrap collectors. As a result, this has brought down our disposal cost for flexi bags with a total cost saving of RM0.021 million in FYE 2023. Note: Only taking into consideration of disposal cost reduction, not including selling of the segregated canvas (which can be sold). The sold canvas could be potentially recycled or reused, but we are ought to confirm that in 2024.

The Group's Research and Development ("R&D") Department has been tasked to oversee waste management, chemical handling, spillage and disposal. The R&D Department is constantly reviewing and enhancing our waste management system to ensure greater durability towards the goal of sustainability.

On the other hand, we reused hollow pipes for multiple purposes in the factory such as to cover drainpipes, safety cage for forklift amongst others. From this initiative, we are proud to share that we have successfully saved a total of RM125,230.00

Month in Year 2023	Price per unit (RM)	Reused of Hollow Pipes (Qty)	Total savings (RM)
January	35.00	322	11,270.00
February	35.00	274	9,590.00
March	35.00	288	10,080.00
April	35.00	276	9,660.00
May	35.00	300	10,500.00
June	35.00	236	8,260.00
July	35.00	211	7,385.00
August	35.00	462	16,170.00
September	35.00	360	12,600.00
October	35.00	242	8,470.00
November	35.00	280	9,800.00
December	35.00	327	11,445.00
	<b>TOTAL</b>	<b>3,578</b>	<b>125,230.00</b>

## Energy Management

We manage our resources and energy usage efficiently so as to reduce the relevant environmental impacts and promote sustainable use of natural resources. The Group is taking initiatives to improve its electricity consumption by adopting energy efficient lighting and energy saving equipment for energy conservation. As a result, such efforts have brought about an approximately 28% reduction in our total electricity consumption for the FYE 2023.

As of 31 December 2023, the energy consumption in our Group from the electricity grid was recorded at 15,424,189kWh. The Group also plans to reduce approximately 5% of gas usage in our production on an annual basis by replacing Infrared ("IR") burner with PT burner and installing boilers that can lower down our total gas usage which in turn reduce the Group's overall operating costs.

# Sustainability Statement (Cont'd)

## Energy Management

In addition to the energy obtained from the grid, the solar photovoltaics ("PV") system with a total capacity of approximately 2.3MWp installed on the rooftop of our factory generated 2,616MWh of green energy annually, equivalent to 17% of our total annual electricity consumption. In FYE 2023, we have effectively reduced a minimum of 1,000 tonnes carbon dioxide ("CO<sub>2</sub>") with the installation of the said solar PV system.

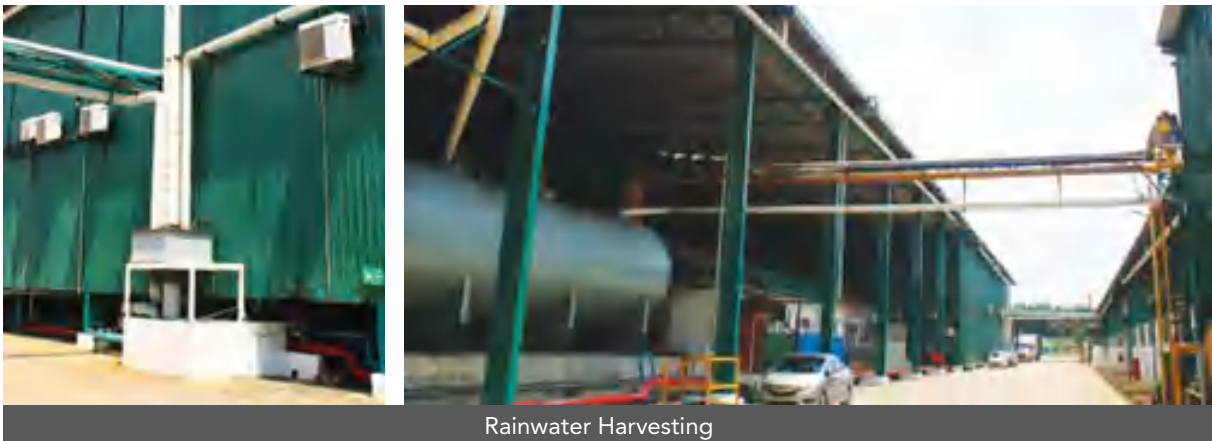


2.3MWp Solar PV system on the rooftop of factory

## Water Management

Water is a key natural resource for our manufacturing operations. In view of the substantial usage of fresh water in our production processes, we have invested in our own raw water treatment plant, converting river water into clean water for our own consumption. This is to lessen the burden on our potable water system. In FYE 2023, we have treated more than 0.88 million m<sup>3</sup> of river water.

In FYE 2023, we consumed 217,789m<sup>3</sup> water supplied from Jabatan Bekalan Air ("JBA") and about 0.88 million m<sup>3</sup> of treated river water in our operation, which is about 49% lower as compared to year 2022. We are also using a rainwater harvesting method to limit the usage of river water and water from JBA. We have installed take capacity totalling 180m<sup>3</sup> tank capacity to collect such rainwater.



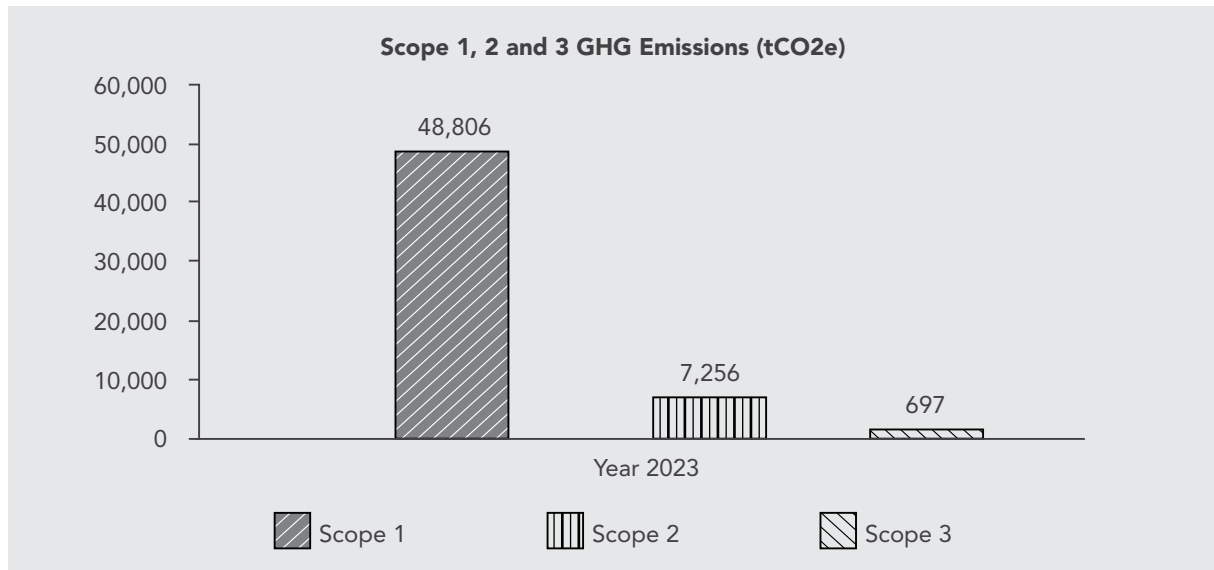
Rainwater Harvesting

# Sustainability Statement (Cont'd)

## Emission Management

### Greenhouse Gas (GHG) Emissions

For FYE 2023, we have monitored and recorded Scope 1, 2 & 3 emission data as per the chart below:



GHG Emissions	Emission (%)	Year 2023
Scope 1 emissions (tCO2e)	86%	48,806
Scope 2 emissions (tCO2e/m2)	13%	7,256
Scope 3 emissions (tCO2e/FTE)	1%	697
<b>TOTAL GHG Emissions (tCO2e)</b>	<b>100%</b>	<b>56,759</b>

- Scope 1 emissions: Direct - Company fleet, Diesel, Refrigerants, Generators, equipment owned in which fuel is combusted (tCO2e).
- Scope 2 emissions: Indirect - Purchase Electricity/Electricity consumption (Indirect emissions from purchase electricity consumption). Site and facilities owned at which energy in the form of electricity is consumed (tCO2e/m2). To use self-occupied area as the measurement of floor space for Scope 2.
- Scope 3 emissions: Indirect - Business Travel and Employee Commute (tCO2e/FTE). FTE refers to Full Time Employees.

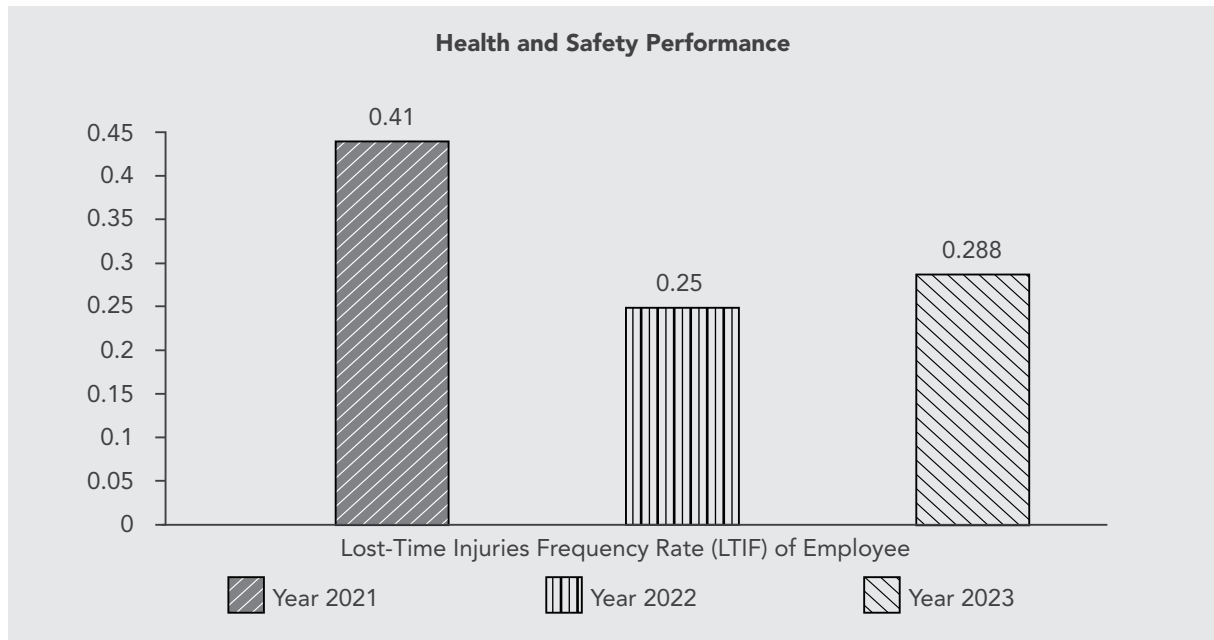
# Sustainability Statement (Cont'd)

## Human Capital

### Employee Health & Safety

Our people are our prime asset, and we believe in continuous development and training for them. The desire to perform, the passion and motivation needed to take us to where we want to go across the group is key to achieving sustainability. Training to ignite passion and the drive to achieve new performance levels is one of the trainings that CGB have in future planning besides the current training on safety and environmental practices. It also provides a platform for interaction and bonding with other employees so they may understand one another, addressing both weaknesses and strengths of each other and by this, complimenting one another. This will result in reinforced exceptional behavior which has led to higher performances.

Our Health and Safety Policy highlights our internal approach in maintaining a safe and secure environment covering all employees and adopt the best industry standards to prevent any workplace injuries as we strongly believe that our employees' health and safety is crucial to the success of the company.



Year	2021	2022	2023
Number of work-related injuries	16	10	10
Number of fatalities	0	0	0
<b>Total number of staff</b>	<b>1,660</b>	<b>1,703</b>	<b>1,464*</b>

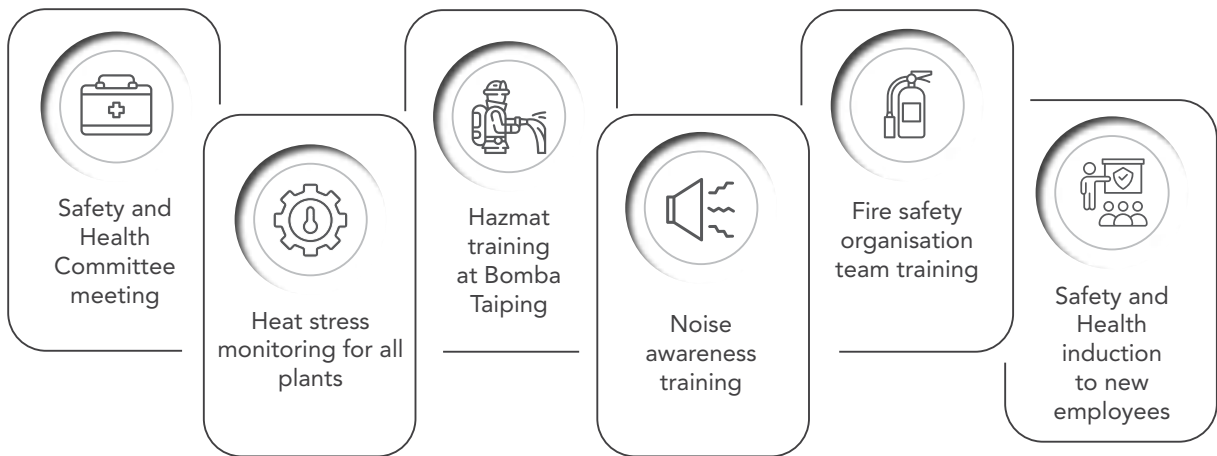
\* 1464 is total number of staff of FYE 2023

# Sustainability Statement (Cont'd)

## Employee Working Conditions & Labour Practices

Employees' learning and development is essential and critical to the Group's business growth and success. Therefore, the Group encourages and at the same time provides continuous training and development opportunities to the employees in order to enhance their knowledge and capabilities.

As a manufacturing company, we are currently focusing on training related to safety and environmental practices. During FYE 2023, we have conducted several training programs, such as: -



### Training & Development Highlights in FYE 2023

#### Total Expenditure



RM 134,979.20

#### Total Training Hours



3,681 (External Trainings)  
3,293.5 (Internal Trainings)

#### Employees Participated



559 (External Trainings)  
6,116 (Internal Trainings)

#### Average Training Hours Per Employee



6.6 hours

# Sustainability Statement (Cont'd)

## Employee Working Conditions & Labour Practices (Cont'd)

Moving forward, we are planning to offer a wider range of training to ignite our people's passion and drive their performance to higher levels. We understand that training courses also provide our employees with a platform to interact and create bonding with other employees which helps to create a motivational working environment.

In addition, we take good care of the wellbeing and interest of our employees. We have set up an Employee Assistance Counter ("EAC") to assist our employees with various matters pertaining to employee's welfare such as hostel and transportation, money remittance, passport, and permit renewals. We believe that every employee shall be treated equally with respect and entitled to an equal opportunity to excel in a proper working environment. To this end, Ergo, a good standard of accommodation and facilities including kitchens, mini marts, laundry service, transportation, rainwater harvesting, and in-house clinic are provided to our foreign employees who are staying near our factory.

## Supporting Human Rights

CGB Group is a strong advocate for human rights. To protect our employees' human rights, we abide strictly to the Malaysian labour laws and international standards. In this respect, we provide induction training on social compliance policy and human rights matters to the employee upon his/her joining with the Group. For FYE 2023, we are glad to inform that we have not received any substantiated complaints concerning human rights violations.

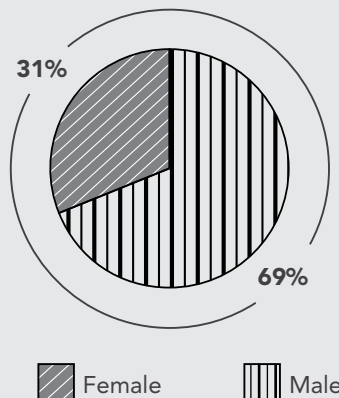
## Diversity, Equity and Inclusion

The Group strives to develop a dynamic and inclusive workforce with the right mix of talents from various cultural backgrounds, skills, experiences, gender, age group as well as religions. We strongly believe that such diversity inspires greater creativity and productivity which could serve as a push for our business growth and sustainability.

The Group is committed to promoting diversity and equity throughout our recruitment process and the selection of candidates should be purely based on merit and fairness. All our employees are treated with equal respect and opportunities irrespective of race, gender, age, religion, nationality, and background.

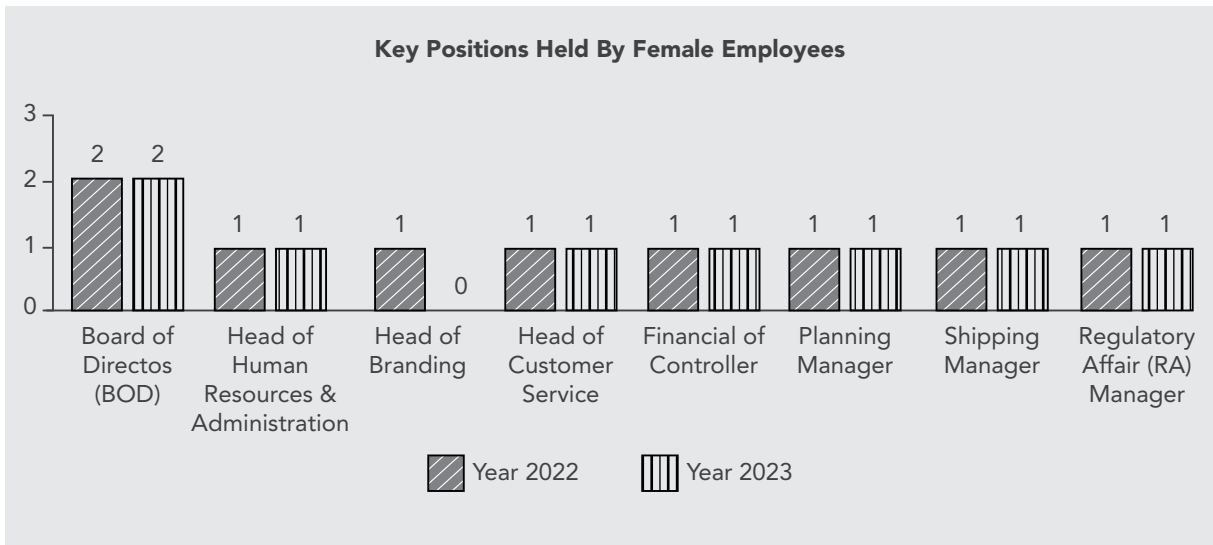
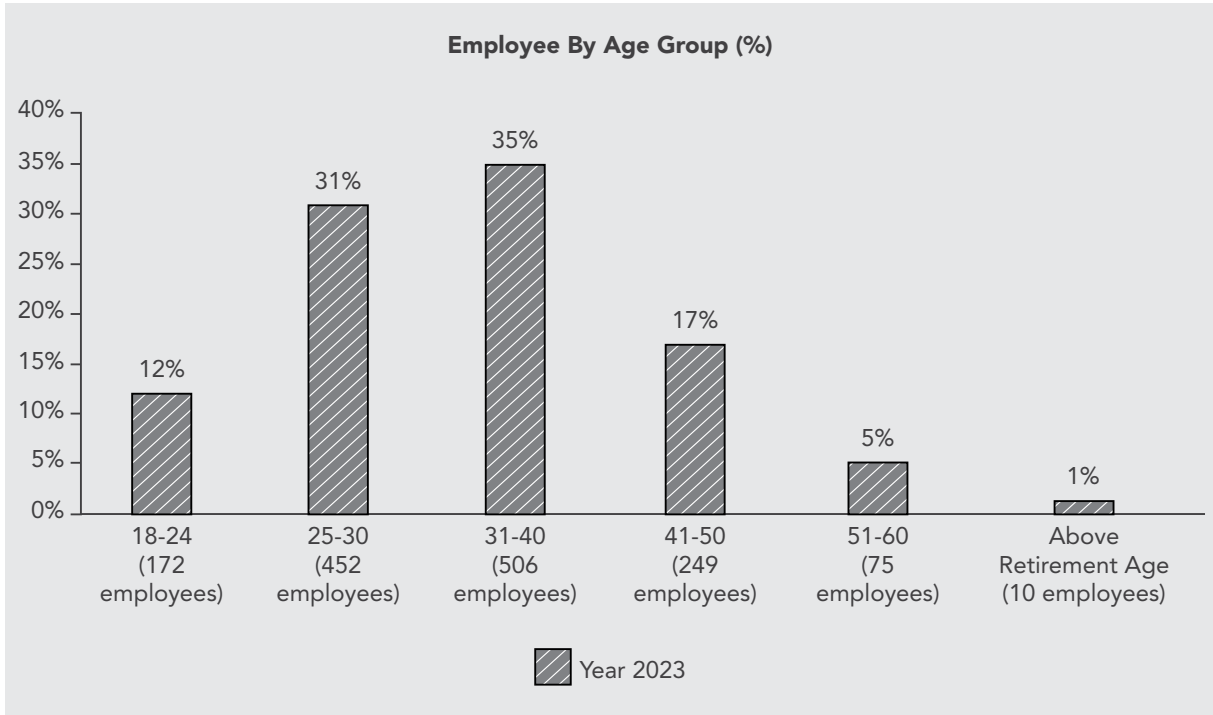
We recognize that employee retention is crucial to the long-term business sustainability of the Group. However, our average monthly employees' turnover rate has increased marginally by 0.1% from 1.7% in FYE 2022 to 1.8% in FYE 2023. We will put in greater efforts to recruit suitable candidates and retain the right talents to achieve a stable and sustainable workforce. There are no employees that are contractors or temporary staff in the Group.

Employee Breakdown By Gender FYE 2023 (%)



# Sustainability Statement (Cont'd)

## Diversity, Equity and Inclusion (Cont'd)





# Sustainability Statement (Cont'd)

## Social Outreach

### Contributing to Community Development

Whilst gaining public support in our business, the Group also wish to connect with the local community and give back to the society. Throughout the years, CGB Group has been organizing donation drives, sponsoring green tech events and awareness programs such as road safety and road accident prevention.

At CGB, we undertake our corporate social responsibility ("CSR") initiatives based on the following considerations: -

- Impact of project on local community
- Belief in cornerstone principles of family and community welfare; and
- Legacy of the CSR programs.

A committee consisting of senior managers has been tasked with the responsibility to oversee all our CSR initiatives and to conduct meeting periodically to monitor each CSR program as well as to promote accountability towards CSR initiatives.

We are delighted to share that we have carried out more than twelve (12) community aid programs and assisting over 3,130 people in need during FYE 2023. These CSR initiatives, includes but not limited to: -



Contribution of 3.2 million pieces of gloves for humanitarian aid



Donation of groceries aid to 350 households



Adoption of two (2) animals in support of Taiping Zoo adoption program



Donation of school essentials to primary and secondary school students



Conduct 3R & e-waste campaign to create awareness among employees and students

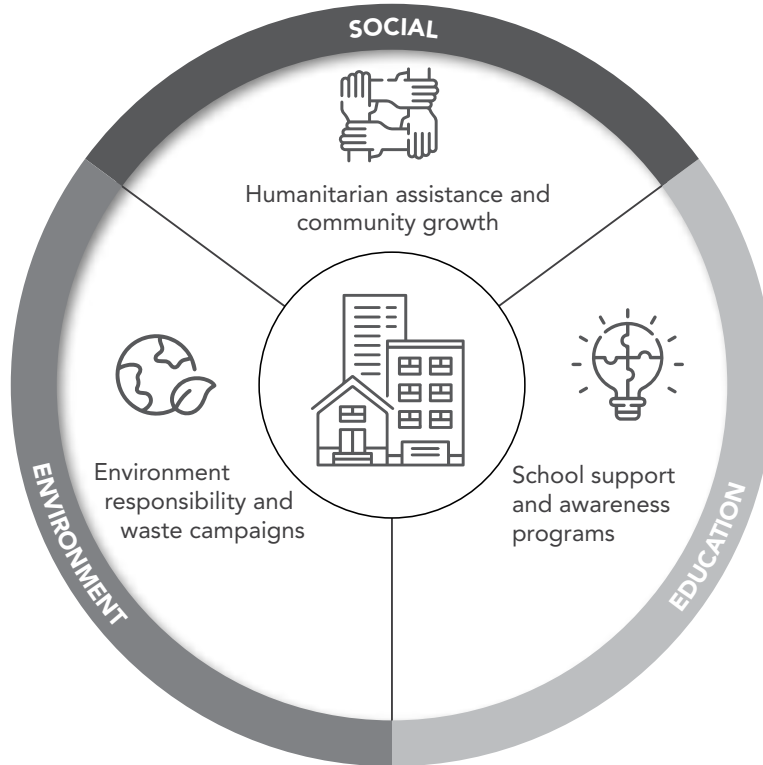


Corporate Social Responsibility

# Sustainability Statement (Cont'd)

## Contributing to Community Development (Cont'd)

In FYE 2023, we invested a total of RM100,000 in community programs which were allocated according to the (3) focus areas below:



# Sustainability Statement (Cont'd)

## Moving Forward

The rubber gloves industry has been a pillar supporting the global healthcare system and is crucial to its continued growth especially from our experience throughout the Covid-19 pandemic. As a leading rubber gloves manufacturer, we are fully cognisant of our roles and responsibilities to our community and the country. As an employer we strive to develop our staff to meet their aspirations and ambitions, and as a member of the local community we constantly strive to improve efficiency and reduce waste. As a member of the international community, we ensure that we exceed not only regulatory requirements of Malaysia, but also comply with international standards in rubber gloves production.

In doing so, we recognise the key role innovation plays in the continuous improvement of our ESG standards. We monitor developments in technology and resource management and set clear benchmarks for our team to meet in maintaining the standards we have and continue to have.



# Sustainability Statement (Cont'd)

## Sustainability Performance Data Table

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform and is included in this Sustainability Report as mandated by Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	12.83
General Workers	Percentage	2.74
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.32
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	15,424.19
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megallitres	1,100,923,000
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.29
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,475
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	1,517
Executive	Hours	856
Non-executive/Technical Staff	Hours	1,274
General Workers	Hours	3,249
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	10
Executive	Number	11
Non-executive/Technical Staff	Number	50
General Workers	Number	257
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	74.19
Management Above 50	Percentage	25.81
Executive Under 30	Percentage	21.82
Executive Between 30-50	Percentage	69.09
Executive Above 50	Percentage	9.09
Non-executive/Technical Staff Under 30	Percentage	37.13
Non-executive/Technical Staff Between 30-50	Percentage	46.53
Non-executive/Technical Staff Above 50	Percentage	16.34
General Workers Under 30	Percentage	36.01
General Workers Between 30-50	Percentage	60.31
General Workers Above 50	Percentage	3.68
Gender Group by Employee Category		
Management Male	Percentage	54.84
Management Female	Percentage	45.16
Executive Male	Percentage	30.91
Executive Female	Percentage	69.09
Non-executive/Technical Staff Male	Percentage	54.46
Non-executive/Technical Staff Female	Percentage	45.54
General Workers Male	Percentage	74.17
General Workers Female	Percentage	25.83
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.43
Female	Percentage	28.57
Under 30	Percentage	0.00
Between 30-50	Percentage	42.86
Above 50	Percentage	57.14

Internal assurance External assurance No assurance (\*)Restated

# Sustainability Statement (Cont'd)

## Sustainability Performance Data Table (Cont'd)

Indicator	Measurement Unit	2023
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	100,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3,130

Internal assurance External assurance No assurance

(\*) Restated

# Sustainability Statement (Cont'd)

## Bursa Malaysia Sustainability Reporting Content Index

Bursa's Common Sustainability Matters	Bursa's Common Sustainability Indicators	Page
<b>Anti-Corruption</b>	Percentage of employees who have received training on anti-corruption by employee category	28
	Percentage of operations assessed for corruption-related risks	28
	Confirmed incidents of corruption and action taken	28
<b>Community/Society</b>	Total amount invested in the community where the target beneficiaries are external to the listed Issuer	40
	Total number of beneficiaries of the investment in communities	39
<b>Diversity</b>	Percentage of employees by gender and age group, for each employee category	37-38
	Percentage of directors by gender and age group	38
<b>Energy Management</b>	Total Energy Consumption	32
<b>Health and Safety</b>	Number of work-related fatalities	35
	Lost-Time Injury Frequency (LTIF)	35
	Number of employees trained on health and safety standards	35
<b>Labour practices and standards</b>	Total hours of training by employee category	36
	Percentage of employees that are contractors or temporary staff	37
	Total no. of employee turnover by employee category	37
	Number of substantiated complaints concerning human rights violations	37
<b>Supply chain management</b>	Percentage of spending on local suppliers	29
<b>Data privacy and security</b>	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	29

# Sustainability Statement (Cont'd)

## Bursa Malaysia Sustainability Reporting Content Index (Cont'd)

Bursa's Common Sustainability Matters	Bursa's Common Sustainability Indicators	Page
<b>Water</b>	Total volume of water used	33
<b>Waste management</b>	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (tonnes) (ii) total waste directed to disposal (tonnes)	31-32
<b>Emissions management</b>	Scope 1 emissions in tonnes (Co2e)	34
	Scope 2 emissions in tonnes (Co2e)	34
	Scope 3 emissions in tonnes (Co2e) (at least for the categories of business travel and employee commuting)	34



3R EWaste Campaign



Action Song Competition Prize Giving



Hari Malaysia Eco Run



School Engagement Contribution

# EVENT

# HIGHLIGHTS



CSR Hari Raya



Cultural Activities



E-waste Competition at SKMG





Save Water Awareness at Preschool



Support local business within the community



Recruitment Outreach



Sambutan Bulan Kebangsaan



Marketing Booth



Mammogram Test at Pantai Ipoh

# Corporate Governance Overview Statement

## INTRODUCTION

The Board of Directors recognizes the importance of adopting high standard of corporate governance throughout the Company and the Group as a fundamental part of discharging its responsibilities to protect and enhance stakeholders' value and to continue delivering sustainable performance. Pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board is pleased to present the Group's application of the principles as set out in the Malaysian Code of Corporate Governance 2021 ("MCCG");

- A. Board Leadership and Effectiveness;
- B. Effective Audit and Risk Management;
- C. Integrity in corporate reporting and meaningful relationship with stakeholders.

This Corporate Governance Overview Statement should be read together with Corporate Governance Report 2023, both available on the Company's website at <https://www.comfort-rubber.com.my>.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### *Principal Responsibilities of the Board*

The Group is led by an experienced and dynamic Board of Directors ("the Board") who is responsible for the long term success of the Group and delivery of sustainable value to its stakeholders. The Board plays a pivotal role in the stewardship of the Group and ultimately enhancing the shareholders' value.

The Board is responsible for the Group's overall strategy direction and objectives whiles exercising oversight on management, its acquisition and divestment policies, major capital expenditure, establishing goals and monitoring the achievement of the goals through strategic action plans and careful deployment of the Group's assets and resources and the consideration of significant financial commitments. The Board monitors the decisions and actions of the Executive Directors to ensure that all are in sync towards better performance of the Group and act in accordance to the Group's governance assurance framework.

### *Board Charter*

The Board has established clear functions reserved for the Board and those delegated to Management in the Board Charter (the "Charter") which serves as a reference point for Board's activities. The Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors which are subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance. The Charter is available at the Company's website at [www.comfort-rubber.com.my](http://www.comfort-rubber.com.my).

In promoting good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures, full details of which will be made available on the Company's website:



Code of Conduct  
and Ethics



Whistleblowing  
Policy and  
Procedures



Anti-Bribery  
and Corruption  
Policy



Related Party  
Transaction



Conflict of Interest  
Policy

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### **Board Charter (Cont'd)**

The Board reviews the Board Charter as and when required to keep up to date with changes in Bursa Malaysia Securities Berhad's (Bursa Securities) Listing Requirements, other regulation and best practices and ensure its effectiveness and relevance to Board's objective and make necessary amendments to ensure in line with the needs of the Company and compliance with the regulations.

### **Board Composition and Independence**

The Board currently comprises six (6) members, comprising three (3) Independent Non-Executive Directors (INED) and three (3) Executive Directors, whereby 2 INED are woman directors. This complies with Paragraph 15.02(1) of the Bursa Securities Listing Requirement and also the Board Charter of having at least one-third (1/3) of the Board members as Independent Non-Executive Directors and also 1 woman director.

The presence of three (3) INED fulfills an important role in corporate accountability and also to provide an independent and unbiased views, advice and judgment on issues of strategy, performance, resource utilization and standards of conduct, all of which are vital to the Group. The mixture of technical, industry expertise, entrepreneurial, financial, and business skills of the Directors also enhance the effectiveness of the Board. In addition, the Independent Directors play a crucial role in the exercise of independent assessment and objective participation in Board deliberations and decision-making process.

In adherence to the prescription of Practice 1.4 of the MCCG 2021, the Chairman of the Board is not a member of the Board Committees and neither is he invited to the Board Committees.

Based on the Board's annual review of its size and composition, it was concluded that the Board of 6 members as at 31 December 2023 was appropriate and adequate to effectively govern the organization and comprises a mixture of businessmen and professionals with wide financial and commercial experience.

### **Induction and Site Visit**

In order for the Independent Directors to carry out his roles and duties effectively, documents such as disclosure obligations were furnished to them. During the year, a site visit to the Matang Plant was organised for the Independent Directors to have a better understanding of the business operations of the Group.

### **Qualified and Competent Company Secretaries**

The Board is supported by a qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Company's Constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending the relevant training programmes/conferences.

The Board has direct access to the advice and services of the Company Secretaries who are responsible to the Board for ensuring that all governance matters, and Board procedures are in compliance with the applicable laws and regulations. This includes updating the Board on the MMLR, circulars from Bursa Securities, other legal and regulatory developments, and their impact on the Group and its business.

### **Gender Diversity Policy**

The Board Charter for Board requires having at least one (1) female Director. As at 31 December 2023, we have two female members namely Datuk Amnah Binti Ibrahim and Chu Nyet Kim sitting on the Board. The Board recognized the value of female members of the Board and the female Directors form 33% of the Board.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### ***Foster Commitment***

Paragraph 15.06 of MMLR provides that directors of listed company may not hold more than five (5) directorship in listed companies. None of the Board members of Comfort Gloves Berhad serve in more than five (5) listed companies.

### ***Roles and Responsibilities of the Board***

The positions of the Chairman and Group Chief Executive Officer are held by different individuals. The roles of the Chairman and the Group Chief Executive Officer are distinct and segregated with responsibilities clearly drawn out to ensure a balance of power and authority. The Chairman is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board, ensuring Board carries out its responsibilities in the best interest of the Company and that all key issues are disclosed in a timely manner. The Chairman is also tasked with facilitating active discussion and participation by all the Directors. Whilst the Executive Director cum Group Chief Executive Officer is primarily responsible for managing the Group's day-to-day operations and with his expert and intimate knowledge of the business of the Group, he is able to efficiently practice "hands on" management in his specific areas of responsibilities.

In addition, to ensure the effective discharge of its functions and responsibilities, the Board delegates the day-to-day management of the Group's business to the Management and had set and approved business authority limits which set out relevant matters. This authority limits are reviewed and revised as and when required, to ensure an optimum structure for efficient and effective decision-making in the Group.

The Non-Executive Directors are credible professionals of caliber, who play key supporting roles by contributing their knowledge, guidance and experience towards making independent judgement on issues of strategies, performance, resources and standards of conduct. The Executives and Non-Executive Directors together ensure that the strategies proposed by the management are fully discussed and examined and the long-term interests of the shareholders, employees, suppliers and customers are taken into account.

The Company has also formalized a set of ethical standards through a code of conduct, which is subject to periodical review, to ensure Directors practice ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Where any conflict of interests arises, it is a mandatory practice for the director concerned to declare his/her interest and abstain from the decision-making process.

Key matters which are reserved for the Board's approval are as follows:

- Monitor financial performance including approval of annual and interim financial reports;
- Overseeing the conduct of the business of the Group;
- Approval of material acquisitions, and disposal of undertaking and properties or any significant which exceeds the authority limits delegated to the Board of Directors or management;
- Changes to the management and control structure within the Company and its subsidiaries;
- Any matters and/or transactions that fall within the ambit of the Board pursuant to the Companies Act 2016, the MMLR and the Company's Constitution;
- Internal Control System;
- Succession planning for senior management;
- Assume responsibility for good corporate governance including Environmental Sustainability Governance matters and Risk Management matters.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### *Roles and Responsibilities of the Board (Cont'd)*

The Board also delegates and confers some of its authorities and discretion to the Executive Directors as well as relevant Board Committees. The Board Committees are entrusted by the Board with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR"). Any key issues and decisions arising from the Board Committees will be reported and tabled to the Board for approval, if required.

### *Board Meetings*

The Board meets five (5) times a year on a scheduled basis with additional meetings held when specific urgent or important matters are required to be considered and decided between the scheduled meetings.

A total of five (5) Board Meetings were held during the financial period under review and the details of attendance of the Directors at the Board Meetings are as follows:

<b>Name of Directors</b>	<b>Number of Meetings Attended</b>
Tan Sri Dato' Lau Eng Guang <i>Executive Chairman</i>	5 of 5
Lau Joo Yong <i>Executive Director cum Group Chief Executive Officer (Group CEO)</i>	5 of 5
Lau Joo Pern <i>Executive Director</i>	5 of 5
Khoo Chie Yuan <i>Independent Non-Executive Director</i>	5 of 5
Datuk Amnah Binti Ibrahim <i>Independent Non-Executive Director</i>	4 of 5
Chu Nyet Kim <i>Independent Non-Executive Director</i>	5 of 5

### *Access to Information and Advice*

The Board has a formal schedule of matters reserved specifically for its decision. The Board is supplied with information in a timely manner and appropriate quality to enable them to discharge their duties. Board papers providing financial and corporate developments, quarterly financial reports and minutes of the previous meetings are circulated five (5) business day prior to the Board Meetings to give the Directors time to peruse the issues to be discussed at the Board Meetings. The Directors have full access to all staff for any information they require on the Group's affairs and to the advice and services of the Company Secretaries, independent professional advisers, and internal/external auditors in appropriate circumstances at the Company's expense, if required.

The Secretary are charged with the duty of ensuring proper filing of all requisite documents and obtaining all the necessary information from the Directors, both for the Company's own records and for meeting statutory requirements and regulatory obligations. The Secretary also highlight all issues which she feels ought to be brought to the Board's attention. All resolutions are recorded and confirmed at the next Board meeting and all Board members would ensure the Minutes of Meetings accurately reflected the deliberations and decision of the Board, including any directors abstained from voting or deliberating on a particular matter.

The Directors are notified of any corporate announcements released to Bursa Securities. They are also notified of the impending restriction in dealing with the securities of the Company at least thirty (30) days before the targeted released date of the quarterly financial results announcement.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### **Recruitment or Appointment of Directors**

The Board adheres to its Fit & Proper Policy for the appointment and re-election of Directors as required by the Bursa Securities Listing Requirements, with the aim of strengthening board independence, quality and diversity. These include the review of skills, experience and strength in the qualities necessary for the discharge of responsibilities in an effective and competent manner. Other factors considered by the NC includes the candidates' ability to commit sufficient time to Board matters, and the ability to satisfy the test of independence taking into account the candidate's character, integrity and professionalism. Diversity of the Board's composition is also important to facilitate optimal decision-making by harnessing different insights and perspectives.

### **Re-Appointment and Re-Election of Directors**

In accordance with the Constitution of the Company, all directors who are appointed by the Board are subject to re-election at the first opportunity after their appointment and at least one third of the remaining directors are subject to re-election by rotation at each Annual General Meeting ("AGM"). The Constitution also provide that all directors shall retire at least once in three (3) years. However, retiring Directors are eligible for re-election in accordance with its Constitution.

Where any Director is required to retire from office, the NC reviews the composition of the Board and decides whether to recommend such Director for-election taking into account the Director's attendance at their respective meetings, participation, contribution and time commitment. Upon its evaluation in accordance with its Fit and Proper Policy, the NC will make recommendation on the proposal to the Board for approval and the Board makes the final decision on the proposed appointment/re-election to be presented to shareholders for approval.

### **Continuous Directors' Training**

The Board acknowledges the importance of continuous education and training broadens one's perspective and to keep abreast with the current and future developments in the industry and global markets, regulatory updates as well as management strategies to enhance the Board's skill and knowledge in discharging their duties. The Board has undertaken an assessment of the training needs of each Director.

All Directors receive updates from time to time, on relevant laws and regulations to enhance their business acumen and skills to meet the changing commercial challenges. The Directors have participated in conferences, seminars and training programmes and during the FYE 2023, the following training programmes and seminars were attended by the Directors:

Name of Directors	Training or Seminars Attended
Tan Sri Dato' Lau Eng Guang	<ul style="list-style-type: none"> <li>Malaysian Code on Corporate Governance (Revised) ("MCCG") and Sustainability Reporting</li> <li>Sustainability awareness</li> <li>PWC Tax Seminar on budget 2024</li> </ul>
Lau Joo Yong	<ul style="list-style-type: none"> <li>Malaysian Code on Corporate Governance (Revised) ("MCCG") and Sustainability Reporting</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Sustainability awareness</li> <li>PWC Tax Seminar on budget 2024</li> </ul>

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Continuous Directors' Training (Cont'd)

Name of Directors	Training or Seminars Attended
Lau Joo Pern	<ul style="list-style-type: none"> <li>Malaysian Code on Corporate Governance (Revised) ("MCCG") and Sustainability Reporting</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Sustainability awareness</li> <li>PWC Tax Seminar on budget 2024</li> </ul>
Khoo Chie Yuan	<ul style="list-style-type: none"> <li>Malaysian Code on Corporate Governance (Revised) ("MCCG") and Sustainability Reporting</li> <li>Conflict Of Interest (COI)</li> <li>PWC Tax Seminar on budget 2024</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Sustainability awareness</li> </ul>
Chu Nyet Kim	<ul style="list-style-type: none"> <li>Malaysian Code on Corporate Governance (Revised) ("MCCG") and Sustainability Reporting</li> <li>Conflict Of Interest (COI)</li> <li>Deloitte Indonesia webinar: Indonesia tax update</li> <li>CTIM 2023 Budget Webinar: The changes &amp; impacts to taxpayers, Shadow Economy, ESG initiatives</li> <li>MIA Webinar: Artificial Intelligence &amp; the Future of Accounting</li> <li>Panel discussion - ESG &amp; Climate Governance: What Directors need to know, organized by Singapore Institute of Directors</li> <li>Deloitte Malaysia webinar with IRBM on New TP Rules &amp; Voluntary Disclosure</li> <li>Leong Hup International Bhd inhouse ESG training on Sustainability Awareness</li> <li>Asia School of Business - Learning@work: Human learning in the age of machine learning</li> <li>MIA Audit Committee Conference 2023</li> <li>Bursa Malaysia webinar: Advocacy Sessions for directors &amp; CEOs of Main market listed issuers</li> <li>MIA webinar: Corporate Disclosures - what are the landmines to avoid &amp; the value derived</li> <li>MIA webinar: Market manipulation &amp; securities fraud</li> <li>BDO 2024 Budget Seminar</li> <li>SC's AOB conversation with Audit Committee</li> <li>LHIB inhouse training - PWC Malaysia tax seminar on Budget 2024</li> </ul>
Datuk Amnah Binti Ibrahim	<ul style="list-style-type: none"> <li>Malaysian Code on Corporate Governance (Revised) ("MCCG") and Sustainability Reporting</li> <li>Conflict Of Interest (COI)</li> <li>PWC Tax Seminar on budget 2024</li> <li>Sustainability awareness</li> </ul>

The Board will continue to evaluate and determine the training needs of Directors on a continuous basis.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Continuous Directors' Training (Cont'd)

The Company Secretary also circulated from time to time the relevant guidelines on statutory and regulatory requirements to the Directors. The External Auditors also highlighted changes to the Malaysian Financial Reporting Standards and legislation that affect the Company's financial statement during the financial year.

### Committees Established by the Board

The Board is assisted by the following Sub-Committees in the discharge of its duties and responsibilities:



Audit Committee



Nomination  
Committee



Remuneration  
Committee



Committee for the  
review of press  
releases or public  
announcements

### Audit Committee ("AC")

The AC assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group. The Audit Committee comprises three (3) Independent Non-Executive Director. The AC is chaired by an INED, Madam Chu Nyet Kim.

Details of the composition and the activities of the AC during the financial year are set out under the Audit Committee Report.

### Nomination Committee ("NC")

The members of the Nomination Committee during the financial year, comprises all Independent Non-Executive Directors, were as follows:

Name of Member	
Datuk Amnah Binti Ibrahim	Chairman, INED
Khoo Chie Yuan	Member, INED
Chu Nyet Kim	Member, INED

The role of the NC is set out in its TOR and available on the Company's website.

The objective of the NC is to ensure an appropriate structure for management succession and development and an effective process for director selection and tenure. The Board has established a nomination process of board members to facilitate and provide a guide for the NC to identify, evaluate, select and recommend to the Board the candidate to be appointed as a Director of the Company.



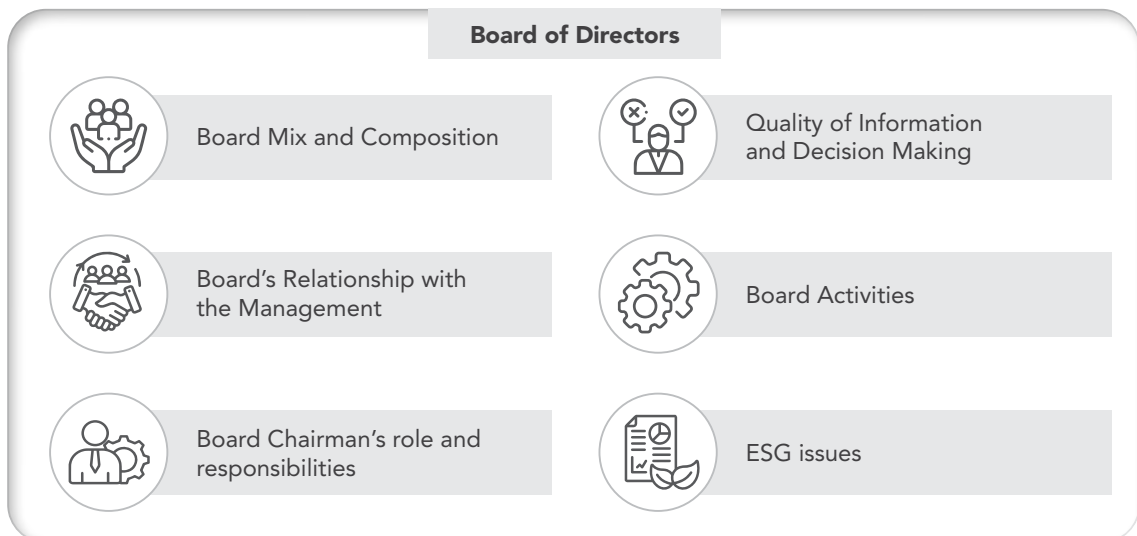
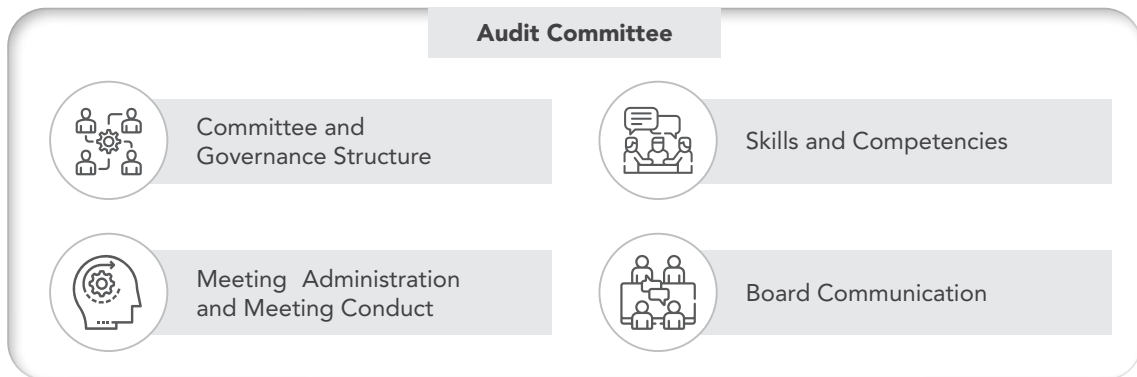
# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Nomination Committee ("NC") (Cont'd)

During the FYE 2023, two meetings were held and undertook the following activities:

- Reviewed the performance of the Directors who are due for re-election/re-appointment at the next AGM via the fit and proper assessment;
- Assessed the independence of the Independent Directors;
- Reviewed the mix of skills, independence, experience and other qualities of the Board;
- Reviewed the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference;
- Reviewed the annual assessment of the effectiveness of the Board, Board committees and individual directors annually using a set of customized self-assessment questionnaires to be completed by each Director; with the following criteria: -



# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### **Nomination Committee ("NC") (Cont'd)**

- e) Reviewed the annual assessment of the effectiveness of the Board, Board committees and individual directors annually using a set of customized self-assessment questionnaires to be completed by each Director; with the following criteria: - (Cont'd)

The NC upon its assessment carried out was satisfied:

- the current size and existing composition of the Board were sufficient and well balanced, catered effectively to the scope of the Group's operations and there was appropriate mix of knowledge, skills, attributes and core competencies in the Board.
- the Independent Non-Executive Directors comply with the definition of Independent Non-Executive Directors as defined in the Listing Requirements;
- the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company, as none of them hold more than 5 directorships in public listed companies; and
- the results of the self-assessment by Directors and Board's effectiveness were tabled to the Board for review and deliberation.

- f) Reviewed and recommended the appointment of director in the subsidiaries.

### **Remuneration Committee ("RC")**

The members of the Remuneration Committee during the financial year, comprises wholly of non-executive Directors, a majority of whom are independent, were as follows:

<b>Name of Member</b>	
Khoo Chie Yuan	Chairman, Independent Non-Executive Director
Datuk Amnah Binti Ibrahim	Member, Independent Non-Executive Director
Chu Nyet Kim	Member, Independent Non-Executive Director

The objective of the RC is to review and recommend to the Board a formal and transparent policy on executive remuneration and for fixing the remuneration packages of individual directors and to approve employee compensation and benefits program.

The RC assessed the appropriateness of Directors' and executives' remuneration on an annual basis, based on overall employment market conditions and the capacity of the Company's financial standing.

Two meetings were held during the FYE under review and all committee members attended the meeting. The TOR of RC available on the Company's website.

### **Committee for the Review of Press Releases or Public Announcements**

The Committee for the review of press releases or public announcements, comprising the Group Chief Executive Officer, Lau Joo Yong and the Executive Director, Lau Joo Pern, are responsible for making timely dissemination of information to the shareholders and investing public and ensuring that the information released is factual, clear, accurate and not false or misleading.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### DIRECTORS' REMUNERATION

#### *The Level and Make-up of Remuneration*

The Company's framework on Directors' remuneration has the underlying objectives of attracting and retaining Directors needed to manage the Group successfully. In the case of Executive Directors, their remuneration is linked to their level of responsibilities, experience and contribution to the Group performance. For the Non-Executive Directors, the level of remuneration reflects the expertise, experience, skills and level of responsibilities undertaken by them.

The Company has adopted the principle recommended by the Code whereby the level of remuneration of the Directors is sufficient to attract and retain the Directors needed to manage the Group successfully. In the case of Executive Directors, their remuneration is linked to their level of responsibilities, experience, contribution, individual as well as Group performance. For the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by them.

The details of the remuneration of the Directors (on named basis) for the financial year ended 31 December 2023 are as follows:

#### The Group

(RM)	Salary	Bonus	Fee	Defined Contribution	Benefits-in-kind	Other Emoluments	Total
<b>Executive Director</b>							
Tan Sri Dato' Lau Eng Guang	2,800,008	233,334	-	577,084	28,000	-	3,638,426
Lau Joo Yong	2,400,000	200,000	-	495,159	23,950	-	3,119,109
Lau Joo Pern	400,800	33,400	-	83,657	-	-	517,857
<b>Non-Executive Director</b>							
Chu Nyet Kim	-	-	120,000	-	-	24,000	144,000
Khoo Chie Yuan	-	-	115,000	-	-	24,000	139,000
Datuk Amnah Binti Ibrahim	-	-	115,000	-	-	20,500	135,500

#### The Company

(RM)	Salary	Bonus	Fee	Defined Contribution	Benefits-in-kind	Other Emoluments	Total
<b>Executive Director</b>							
Tan Sri Dato' Lau Eng Guang	-	-	-	-	-	-	-
Lau Joo Yong	-	-	-	-	-	-	-
Lau Joo Pern	-	-	-	-	-	-	-
<b>Non-Executive Director</b>							
Chu Nyet Kim	-	-	120,000	-	-	24,000	144,000
Khoo Chie Yuan	-	-	115,000	-	-	24,000	139,000
Datuk Amnah Binti Ibrahim	-	-	115,000	-	-	20,500	135,500

# Corporate Governance Overview Statement (Cont'd)

## **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

### ***Risk Management and Internal Control***

The Board, with the assistance of the AC, continue to review the risk management framework and assess the various types of risks which might have an impact on the profitable operation of the Group's business. This includes operational, market, legal and environmental risks. The key features of the risk management framework are set out in the Statement on Risk Management and Internal Control of the Annual Report.

In accordance with the Code and the Main Market Listing Requirements of Bursa Securities, the Board has established an internal audit function which reports directly to the Audit Committee. The function is currently outsourced to an independent professional firm. The Audit Committee had also undertaken an annual assessment of the quality of the internal auditor based on an assessment questionnaire, and no material issue and major deficiency had been noted which pose a high risk to the overall system of internal control under review.

### ***Assessment of Suitability and Independence of External Auditors (EA)***

The AC is responsible for the annual assessment of the competency and independence of the external auditors. In its assessment, the AC considers several factors, which includes the caliber, reputation and resources of the firm, staff experience and professionalism, audit scope, communication, independence (which includes the review of the external auditors annual Transparency Report) and the level of non-audit services to be rendered. Having assessed their performance and independence, the AC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The external auditors are required to declare their independence annually to the AC as specified by the By-Laws issued by the MIA.

A statement by the Directors on their responsibilities in preparing the financial statements is set out on this Annual Report.

### ***Relationship with Auditors***

The Board has established a formal and transparent arrangement to meet the EA' professional requirements. The EA have continued to highlight to the Audit Committee and Board of Directors matters that require the Board's attention. The Audit Committee will have a private session with the EA without the presence of any executive of the Group at least twice a year. Liaison and unrestricted communication exist between the AC and the EA. The AC obtains reasonable assurance on the effectiveness of the internal control system through annual independent appraisal by the EA. The EA are invited to attend the Company's AGM.

# Corporate Governance Overview Statement (Cont'd)

## PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### **Communication with Stakeholders**

The Board is committed to provide shareholders, investors and all other stakeholders accurate, useful and timely information about the Company, its business and its activities. The Company has regularly communicated with shareholders and investors in conformity with the disclosure requirements.

### **Conduct of General Meetings**

All general meetings of the Company serve as the principal forum for shareholders to have direct access to the Board and provide the opportunity for shareholders to raise questions pertaining to issues related to the Annual Report, Audited Financial Statements, corporate developments, resolutions being proposed and the businesses of the Group.

The AGM remains the principal forum for communication and dialogue with shareholders. The AGM provides the opportunity for interaction amongst Shareholder, Directors and Management, where the shareholders are at liberty to raise questions on the AGM agenda. They will be given the opportunity to seek clarification on any matters pertaining to the Company's affairs and performance as the Directors and the representatives of the external Auditors will be present to answer any questions that they may have.

The Company despatches Annual Report to all shareholders of the Company which includes the notice of AGM, which notice is also advertised in the newspaper and released via Bursa Link. In line with good Corporate Governance practice, the Notice of the AGM was issued at least 28 days before the date of AGM.

During the virtual AGM held on 22 May 2023, the Board encouraged shareholders to participate in the question-and-answer session at AGM. The Board has ensured that each item of special business included in the notice of the AGM is accompanied by a full explanation of the effects of the proposed resolution. All the Directors (as well as the Chair of the respective Board Committee), Chief Financial Officer and the External Auditors were in attendance to respond to shareholders' queries. Questions raised by those attending online were duly answered by the Executive Chairman. The Minutes of the AGM (including all the questions raised by shareholders and answers thereto) were published on the Company's website within 30 days after the completion of the meeting.

### **Poll Voting**

As stipulated in the MMLR, voting of all resolutions at general meetings shall be carried by way of poll. In addition, the Company appointed scrutineer to validate the votes cast at the AGM.

### **Compliance with the Code**

The Group has complied with the Principles of Corporate Governance as contained in the Code except for the following exception that, in the opinion of the Directors, adequately suit the circumstances:

- **Practice 5.10** on the board discloses in its annual report the company's policy on gender diversity for the board and senior management.
- **Practice 8.2** on the board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The explanation for departure is further disclosed in the CG Report.

The CG Overview Statement together with the CG Report was approved by the Board of Directors of Comfort Gloves Berhad on 16 April 2024.

# Audit Committee Report

The Board of Directors (“the Board”) of Comfort Gloves Berhad (“CGB” or “the Company”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2023 (“FYE 2023”) in compliance with Paragraph 15.15 of the Main LR of Bursa Malaysia.

In performing their duties and discharging their responsibilities, the AC is guided by its Board Charter and also its Terms of Reference (“TOR”) which are available on the Company’s website at [www.comfort-rubber.com.my](http://www.comfort-rubber.com.my).

## 1. COMPOSITION AND ATTENDANCE

The AC comprised three members of the Board, all of whom are Independent Non-Executive Directors (“INEDs”) who satisfies the test of independence under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and has complied with Paragraph 15.09(1) of the Bursa Securities Listing Requirements (“LR”).

The AC Chairman, Chu Nyet Kim, is a member of Malaysian Institute of Accountants (“MIA”) and is not the Chairman of the Board. Accordingly, the Company complies with the requirement of Paragraph 15.09(c) (i) of the Bursa Securities LR and in line with the Practice 9.1 under the Malaysian Code on Corporate Governance 2021 (“MCCG”).

All members of the AC are financially literate and are able to analyze and interpret financial statements in order to effectively discharge their duties and responsibilities as members of AC.

The Nomination Committee (“NC”) reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual effectiveness evaluation. The NC is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC’s TOR, supporting the Board in ensuring the Group upholds appropriate Corporate Governance standards.

### Meetings

The Company Secretaries attended all the Meetings of the AC held during the financial year. Minutes of each AC Meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation. The Chief Financial Officer (“CFO”) and other members of the Board and employees also attended the Meetings upon invitation of the AC.

The CFO will brief the AC on specific issues arising from the audit reports or any matters of interest. The AC Chairman presented to the Board the Committee’s recommendation to approve the annual and quarterly financial statements and any significant concern as and when raised by the External Auditors (“EA”) or Internal Auditors (“IA”). The AC Chairman also conveyed to the Board matters of significant concern as and when raised by the EA or IA in the respective quarterly presentations.

The AC convened a total of five (5) meetings during the FYE 2023 and the details of the AC members and meeting attendance are as follows:

<b>Audit Committee Members</b>	<b>Designation</b>	<b>Number of Meetings Attended</b>
Chu Nyet Kim (Independent Non-Executive Director)	Chairman	5 of 5
Khoo Chie Yuan (Independent Non-Executive Director)	Member	5 of 5
Datuk Amnah Binti Ibrahim Independent Non-Executive Director	Member	4 of 5

# Audit Committee Report (Cont'd)

## 1. COMPOSITION AND ATTENDANCE (CONT'D)

The EA were in attendance at two meetings during the FYE 2023 where discussion between the AC and EA were held without the presence of the Group Executives. During the Meetings, the AC enquired on the Management's cooperation with the EA, their sharing of information and the proficiency and adequacy of resources in financial reporting functions.

## 2. SUMMARY OF ACTIVITIES

During the financial year, the AC carried out its duties as set out in the TOR. The key activities performed by the AC during the FYE 2023 were as follows:

### (a) External Audit

Reviewed with the EA the results of the audit and management's responses to their audit findings, including corrective actions taken by the management on outstanding audit issues highlighted in the previous audit.

- (i) Met with the EA, Messrs KPMG PLT ("KPMG") twice without the presence of management including the Group CEO and CFO to discuss issues requiring attention/significant matters arising from the audit. The EA did not have any areas of major concern to highlight to the AC and they have received full co-operation from the management.

KPMG provided assurance that they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code').

- (ii) Reviewed the audit fee and non-audit fee for the financial year and recommended the audit fee to the Board for approval.
- (iii) Reviewed prior to the commencement of audit, the EA' scope of work and the Audit Planning Memorandum of the EA, including reporting responsibilities and deliverables, audit approach, scope and audit and non-audit fees for statutory audits of the Group financial statement and their proposed fees for the statutory audit.

### (b) Financial Reporting

- (i) reviewed all the unaudited Quarterly Financial Statements, ensure compliance with the Companies Act 2016, Bursa Securities LR, applicable accounting standards and other legal and regulatory requirements prior to recommending them to the Board for approval for announcement to Bursa Securities. In discharging this role, the AC deliberated with the officers of the Group and EA on the following matters:
  - change in accounting policies and its implementation;
  - significant and unusual events arising from audit;
  - going concern assumption;
  - compliance with accounting standards and other legal requirement;
  - adequacy of impairment loss made on trade receivables.
  - Significant judgement made by the Management.
- (ii) reviewed the audited financial statements of the Company and Group with the EA to ensure compliance with the provisions of the Companies Act 2016 and the applicable accounting standards prior to submission to the Board for approval.

# Audit Committee Report (Cont'd)

## 2. SUMMARY OF ACTIVITIES (CONT'D)

### (b) Financial Reporting

- (iii) to safeguard the integrity of information, the CFO had given assurance to the AC that:
- appropriate accounting policies had been adopted and applied consistently;
  - the going concern basis applied in the Annual Financial Statements was appropriate;
  - prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRS;
  - the Audited Financial Statement and Quarterly consolidated financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and its subsidiaries.

### (c) Internal Audit

- (i) reviewed and approved the Group's internal audit plan, including the audit areas, audit scopes and audit approach.
- (ii) reviewed and deliberated on the internal audit reports from the Internal Auditor and management's response to the recommendations and presented the reports to the Board of Directors.
- (iii) reviewed the corrective actions taken on the audit findings to ensure that actions have been taken in a timely and effective manner. The AC was satisfied with the Internal Auditors' performance for financial year ended 31 December 2023 covering the business processes/ audit areas as detailed in the Statement on Risk Management and Internal Control; and
- (iv) carried out an annual review of the performance of the Internal Auditors, including assessment of their suitability and independence in performing their obligations, which is performed via a formal evaluation form. In its assessment, the AC considered several factors, which includes the caliber, reputation and resources of the firm, staff experience and professionalism and audit scope.

The Internal Auditors provided written assurance on 20 March 2024 to the AC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for 2023.

### (d) Related Party Transactions and Conflict of Interest

Reviewed and recommended the Related Party Transaction Policy and Conflict of Interest Policy to the Board for adoption.

Reviewed the related party transactions to ensure they are transacted within the limits prescribed under the Main Market Listing Requirements and also conflict of interest situations which arose, persist or may arise within the Group during the year.

In line with the AC's TOR and Listing Requirements, there were no conflict of interest nor potential conflict of interest situation which arose during FYE 2023 that required the AC to resolve, eliminate or mitigate such conflicts.



# Audit Committee Report (Cont'd)

## 2. SUMMARY OF ACTIVITIES (CONT'D)

(e) Annual Report

- (i) reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Report;
- (ii) presented the AC Report to the Board for approval and inclusion in the Annual Report.

(f) Whistle Blowing/Anti-Bribery and Corruption cases

Ensured that the Group's Whistleblowing Policy and Anti-Bribery and Corruption Policy are actively implemented with appropriate actions taken whenever reports are received. There were no reporting of whistle blowing nor bribery and corruption cases for the FYE 2023.

## 3. GROUP INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to Resolve IR Sdn. Bhd., a professional internal audit service provider and reports directly to the AC and assist the Board in reviewing the adequacy and integrity of the internal control systems to manage risks exposures over key processes within the Group.

The role of the internal audit function is to support the AC by providing it with independent and objective reports on the adequacy, integrity and effectiveness of the system of internal control and the extent of compliance with the procedures and by recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations. It submits its findings and recommendations to the AC and senior management of the Group.

The Internal Audit Function of the Group are disclosed under Effective Audit and Risk Management in the Corporate Governance Overview Statement.

The cost incurred for the Internal Audit function of the Group for the FYE 2023 was RM35,000.

# Statement On Risk Management And Internal Control

## INTRODUCTION

In compliance with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“Board”) of Comfort Gloves Berhad (“CGB” or “the Company”) is pleased to present the Statement on Risk Management and Internal Control (“Statement”) which delineates the nature and scope of our risk management and internal control system implemented across CGB and its subsidiaries (“CGB Group” or “the Group”) during the financial year ended 31 December 2023 (“FYE 2023”).

This Statement is prepared in accordance with the Malaysian Code on Corporate Governance (“MCCG”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITIES

The Board recognises its ultimate responsibility to continuously maintain an on-going risk management and internal control system across the Group to protect shareholders’ investments, stakeholders’ interests as well as the Group’s assets. In order to ensure an effective discharge of responsibility, the Board is supported by the Audit Committee (“AC”) to oversee and monitor the adequacy, effectiveness and integrity of the Group’s risk management and internal control system on a regular basis.

However, due to the inherent limitations in the risk management and internal control system, it is designed to manage risks within an acceptable tolerance level, rather than eliminate the risks that may impede the achievement of the Group’s business objectives. Therefore, the risk management and internal control system within the Group can only provide a reasonable, but not absolute assurance of its effectiveness against any material financial misstatements, fraud, losses and unforeseeable events.

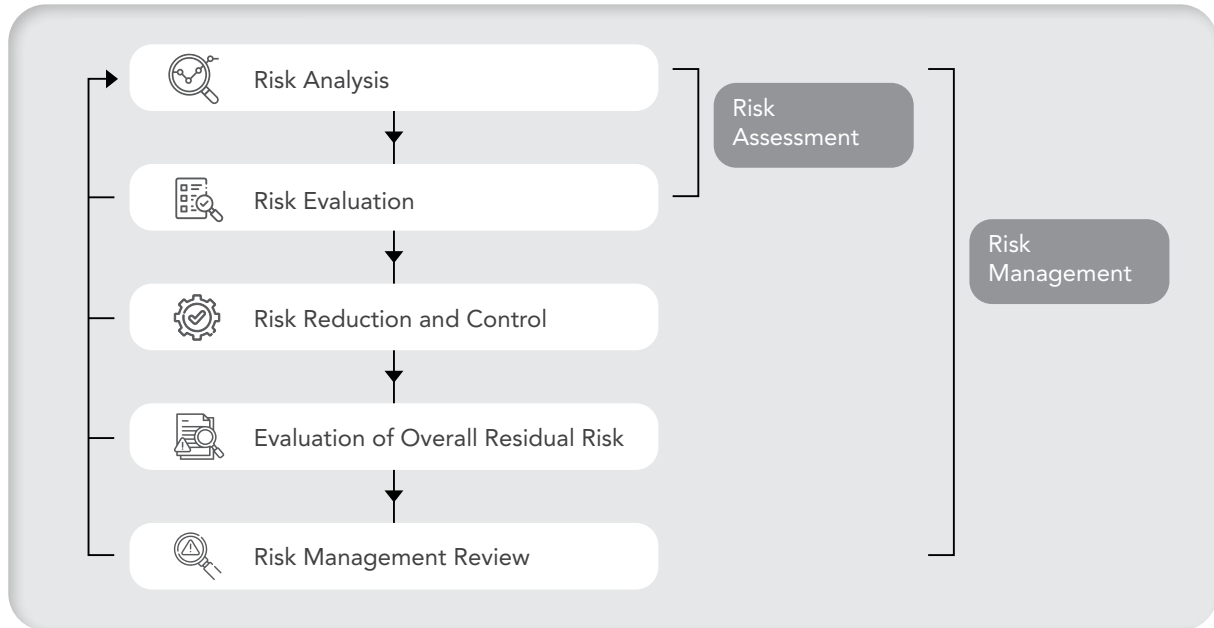
## RISK MANAGEMENT SYSTEM

To uphold a sound and effective corporate governance and business management, the Board regards risk management as a crucial component in the Group’s business operations. To this end, the Group has in place an Integrated Management System (“IMS”) Procedure Manual - Risk Management. In view of the rubber glove industry that the Group is involved in, the said manual is prepared in accordance with the ISO 14971:2019+A11:2021, an international risk management standard designed by the International Organisation for Standardisation (“ISO”) specifically for medical device industry.

# Statement On Risk Management And Internal Control (Cont'd)

## RISK MANAGEMENT SYSTEM (CONT'D)

The key features of the Group's risk management process are illustrated as follows: -



The Group's risk management process initiates with the first step of risk assessment, i.e. risk analysis, to identify the potential hazards within the Group as well as the associated risk levels. The Risk Management Team will then evaluate the acceptability of the identified risks against the Group's risk acceptability criteria defined by the Top Management. To this end, all identified risks are analysed based on their hazard probability and hazard severity towards the Group in order to determine their respective risk levels.

Upon conducting risk evaluation, the Risk Management Team will implement suitable actions to reduce the identified risks to the Group's risk tolerance level, wherever possible. The results of all risk management activities shall be properly recorded and maintained in the Group's Risk Management File. The Risk Management File serves as the primary documentation for Risk Management Plan, Risk Management Report and any other relevant supporting documents.

Any residual risk remaining after the implementation of risk reduction and control measures shall also be evaluated and documented in the Risk Management File. If any residual risk does not align with the Group's risk acceptability criteria, further risk control measures shall be applied.

On a yearly basis, the Risk Management Team reviews the suitability and adequacy of the Group's Risk Management File. Information and data from production and post-production activities are collected, compiled and reviewed in order to determine whether updates to the Group's Risk Management File are required due to the identification of new risks or implementation of additional control measures.





# Statement On Risk Management And Internal Control (Cont'd)

## RISK MANAGEMENT SYSTEM (CONT'D)

Whilst the Board assumes the ultimate responsibility to oversee the Group's risk management system, the Board is supported by the AC and the Top Management, who in turn are supported by the Risk Management Team comprising representatives from various departments. The roles and responsibilities of the Risk Management Team, amongst others, include: -






- To establish and implement Risk Management Plan;
- To review the implementation and completeness of Risk Management File;
- To collect production and post-production information;
- To update Risk Management File;
- To propose risk controls to be implemented; and
- To monitor the risk control measures in place.

On 21 August 2023, the Management prepared and presented the Group's Risk Assessment Report for the FYE 2023. Amongst others, the key risks identified during the financial year, together with the relevant control in place, are as follows: -

No.	Risk Identified	Controls in Place
1	 <p>Inadequacy in working capital</p>	<ul style="list-style-type: none"> <li>• Deferred consideration and utilisation for non-urgent capital expenditures</li> <li>• Monitoring credit exposure for credit terms granted to customers</li> <li>• Obtaining longer credit terms from vendors</li> <li>• Reduction in inventory level for cash conversion</li> </ul>
2	 <p>Business competition risk</p>	<ul style="list-style-type: none"> <li>• Development of new products to distinguish the Group from other competitors</li> <li>• Regular review on product costing to ensure cost efficiency</li> <li>• Enhancement on non-quantitative services for customers</li> </ul>
3	 <p>Safety of machineries</p>	<ul style="list-style-type: none"> <li>• Regular inspection and maintenance on machineries</li> <li>• Information and training provided to all employees</li> <li>• Implementation of safe operating procedures</li> </ul>
4	 <p>Export ban due to inconsistent product quality</p>	<ul style="list-style-type: none"> <li>• Conduct of water-tight testing and visual checks during quality assurance inspection</li> <li>• Conduct of chemical testing on compounding and in-process chemicals</li> <li>• Conduct of physical properties testing such as tensile strength test</li> <li>• Implementation of weekly quality performance review on barrier defect per million and visual lot acceptance rate</li> <li>• Conduct of internal quality audit</li> </ul>

# Statement On Risk Management And Internal Control (Cont'd)

## RISK MANAGEMENT SYSTEM (CONT'D)

No.	Risk Identified	Controls in Place
5	Export ban due to social responsibility requirement and human rights 	<ul style="list-style-type: none"> <li>Conduct of the Sedex Members Ethical Trade Audit ("SMETA") Annual Social Compliance audit, focusing on four (4) pillars, namely business ethics, human rights, safety &amp; health, and environment</li> </ul>
6	Reduction in customer demand 	<ul style="list-style-type: none"> <li>Sourcing new customers for existing product range</li> <li>Development of new products based on customer's requirements</li> </ul>
7	Compliance of regulation on the minimum standards of housing accommodations and amenities 	<ul style="list-style-type: none"> <li>Obtaining Certification of Accommodation ("COA") from authorities while currently holding a temporary occupational approval for staff hostel</li> </ul>
8	Risk of fire 	<ul style="list-style-type: none"> <li>Maintenance of safe workplace and good housekeeping</li> <li>Implementation of emergency response plan</li> <li>Installation of emergency fire-fighting equipment such as fire extinguishers, sprinkler and hose reel system</li> <li>Regular testing and checking on fire alarms and detectors</li> <li>Insurance coverage by fire insurance policy</li> <li>Conduct of fire drill practice</li> </ul>
9	Increase in manufacturing cost and reduction in profit 	<ul style="list-style-type: none"> <li>Expansion on the numbers of "Approved Vendor"</li> <li>Regular review on product costing and pricing</li> </ul>

# Statement On Risk Management And Internal Control (Cont'd)

## INTERNAL CONTROL SYSTEM

On top of risk management system, the Group's internal control system plays a vital role in supporting the effective and systematic functioning of the Group's daily operations and corporate governance.

During FYE 2023, the key internal controls in place within the Group include: -

- (i) Board Committees carry out their duties and responsibilities in accordance with their respective Terms of Reference to ensure that the Board maintains effective supervision over the control processes;
- (ii) A comprehensive organisational structure with clear lines of responsibilities is implemented to promote segregation of duties and delegation of authorities for enhanced accountability and operational efficiency;
- (iii) Well-defined Company's policies, such as the Code of Conduct and Business Ethics, Anti-Bribery & Corruption Policy, Conflict of Interest Policy and Whistleblowing Policy, are in place to promote ethical business conducts and dealings. The said detailed policies are made available at the Company's website for public reference;
- (iv) Fit and Proper Policy is introduced to guide the Nomination Committee in considering the appointment and re-appointment of Directors;
- (v) Standard operating policies and procedures covering various operational areas are implemented across the Group to ensure consistency in internal procedures in alignment with the Group's business objectives; and
- (vi) The Group's quality management system is accredited with ISO 9001:2015, ISO 13485:2016 and EN ISO 13485:2016 under the scope of "manufacture of non-sterile powdered and powder free natural latex & nitrile examination gloves".

## INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

Guided by Paragraph 15.27 of the MMLR, the Board, through the AC, has appointed Resolve IR Sdn Bhd ("Resolve") to provide an independent assessment in regards to the overall adequacy, efficiency and effectiveness of the Group's risk management and internal control system on an outsource basis for the FYE 2023.

During the financial year, the Internal Auditor has carried out the following three (3) internal audit reviews in accordance with the internal audit plan duly approved by the AC: -

Internal Audit Coverage Area	Coverage Period
Inventory Management	Quarter 2, FYE 2023
Procurement to Payables	Quarter 4, FYE 2023
Recurrent Related Party Transactions	Quarter 4, FYE 2023



To ensure the effective conduct of internal audit function, seven (7) internal auditors including the Chief Executive Officer ("CEO"), a Director, a Manager, two (2) Senior Consultants and two (2) Associate Consultants from Resolve, were assigned to the audit engagements during FYE 2023. Interviews with the Management and access to internal documents were made available to the Internal Auditor to ensure an effective conduct of audit process.

Upon completion of the audit engagement, the results of the audit reviews and the recommendations for improvement were discussed with the Senior Management. The Internal Auditor also presented the internal audit reports, covering the internal audit findings, potential implications, recommendations for improvement as well as Management's responses and action plans, at the scheduled AC meetings. The Management is responsible to implement the corrective actions to rectify and improve the weaknesses highlighted. The Internal Auditor will then perform subsequent follow-up review on the implementation of corrective actions on previous audit findings to ensure that all recommendations and appropriate actions have been implemented within the stipulated timeframe, and shall report the same to the AC.

# Statement On Risk Management And Internal Control (Cont'd)

## INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES (CONT'D)

Based on the internal audit reviews conducted by the Internal Auditor, the Board is satisfied that none of the weaknesses noted has resulted in material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The total cost incurred by the Group for the outsourced internal audit function for the FYE 2023 amounted to RM35,000.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditor have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Company for the FYE2023, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in this annual report, in all material respects: -

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

## MANAGEMENT'S ASSURANCE

The Group CEO and Vice President cum Chief Financial Officer, representing the Management, have provided the Board with reasonable assurance that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. The Board has also received assurance from the Management that nothing has come to their attention which may render the financial results presented and information provided to be false and misleading in any material aspect.

## CONCLUSION

For FYE 2023 and up to the date of this Statement, the Board is of the view that there is no significant internal control deficiencies or material weaknesses that would significantly impact the achievement of the Group's business objectives. Therefore, the Board believes that the existing risk management and internal control system in place is deemed sufficient and adequate to protect shareholders' investments, stakeholders' interests and the Group's assets.

Nevertheless, the Board recognises the importance of on-going improvement in the Group's risk management and internal control system in order to align with the ever-changing business environment. Hence, the Board, together with the Board Committees and the Management, strives to continuously improve and strengthen the Group's risk management and internal control system moving forward.

This Statement was approved by the Board on 16 April 2024.

## Additional Compliance Information

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the financial year ended 31 December 2023.

### Details of the Recurrent Related Party Transactions (“RRPT”)

There was no RRPT during the financial year.

### Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2023.

### Imposition of Sanctions/Penalties

There were no material public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

### Auditors’ Remuneration

The auditors’ remuneration of the Group and of the Company for the financial year ended 31 December 2023 is as follows:

	Group RM	Company RM
Audit Fees		
- KPMG PLT	243,000	115,000
Non-Audit Fees*		
- KPMG PLT	15,000	15,000
- Local affiliate of KPMG PLT	137,200	84,700
	395,200	214,700

Note

\* The non-audit fees comprised mainly fees to KPMG PLT and its affiliates to review the regulatory reporting, tax compliance and tax advisory works.

### Material Contracts and Contract Relating to Loan awarded to Directors, Chief Executive and Major Shareholders

There were no material contracts and contracts relating to loans entered into by the Company and its subsidiaries which involve the Directors, Chief Executive who is not a director and major shareholders entered into since the end of the previous financial year.

### Employees’ Share Scheme (“ESS”)

The ESS was approved by the Company’s shareholder at Extraordinary General Meeting held on 18 May 2021 on the establishment of an ESS of up to 15% of the total number of issued shares of CGB (excluding Treasury Shares, if any) for eligible Directors and employees of CGB and its non-dormant subsidiaries. The ESS shall be in force for a period of 5 years from effective date with an option to extend for a further period of up to five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years, provided that the Proposed ESS does not exceed a maximum period of ten (10) years. The effective date of the implementation of the ESS was 2 July 2021. From the effective date up to 31 December 2023, there were no options or shares granted to the Directors or its employees.



# Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 to prepare financial statements of the Company and the Group which will give a true and fair view of the state of affairs at the end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been allowed and made a statement to that effect in the financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company for the prevention and detection of fraud and other irregularities.

The Board is satisfied that in preparing the financial statements of the Company and the Group as at 31 December 2023, the Company and Group have used appropriate accounting policies and applied them consistently and prudently.





# Financial Statements

Directors' Report	73
Statements of Financial Position	78
Statements of Profit or Loss and Other Comprehensive Income	80
Statements of Changes in Equity	81
Statements of Cash Flows	83
Notes to the Financial Statements	87
Statement by Directors	144
Statutory Declaration	145
Independent Auditors' Report	146



# Directors' Report

for the year ended 31 December 2023

## Directors' report for the year ended 31 December 2023

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 2023.

### Principal activities

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

### Results

	Group RM	Company RM
(Loss)/Profit for the year attributable to: Owners of the Company	(36,812,873)	8,272,818

### Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

### Dividend

No dividend was paid during the year and the Directors do not recommend any final dividend to be paid for the financial year under review.

### Directors of the Company

Directors who served during the financial year until the date of this report are:

Lau Joo Yong<sup>^</sup>  
Lau Joo Pern<sup>^</sup>  
Khoo Chie Yuan  
Tan Sri Dato' Lau Eng Guang<sup>^</sup>  
Datuk Amnah Binti Ibrahim<sup>^</sup>  
Chu Nyet Kim

<sup>^</sup> Directors of the Company and certain subsidiaries

# Directors' Report (Cont'd)

## Directors of the subsidiaries

Pursuant to Section 253 (2) of the Companies Act 2016 in Malaysia, the list of directors of the subsidiaries (excluding directors who are also Directors of the Company) in office during the financial year and up to the date of this report are as follows:

Lau Joo Kien Brian  
 Ng Kwee Kuan  
 Jessica Natrah Binti Abdullah Seer Singh (Appointed on 17 April 2023)  
 Mohd Roslan Bin Yaacob (Resigned on 17 April 2023)

## Directors' interests in shares

The interests and deemed interest in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouse and children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	At 1.1.2023	Number of ordinary shares		At 31.12.2023
		Bought	Sold	
<b>Direct interests in the Company</b>				
Tan Sri Dato' Lau Eng Guang	13,507,000	-	-	13,507,000
Datuk Amnah Binti Ibrahim	350,000	-	-	350,000
<b>Indirect interests in the Company</b>				
Tan Sri Dato' Lau Eng Guang #	128,200,050	-	-	128,200,050

	At 1.1.2023	Number of warrants		At 31.12.2023
		Bought	Sold	
<b>Indirect interests in the Company</b>				
Tan Sri Dato' Lau Eng Guang #	16,852,500	-	-	16,852,500

# Shares and warrants held through spouse, children and Keen Setup Sdn. Bhd.

By virtue of his interest in the shares of the Company, Tan Sri Dato' Lau Eng Guang is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

Other than as stated above, none of the other Directors in office at 31 December 2023 had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

# Directors' Report (Cont'd)

## Directors' benefits

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2023 are as follows:

	From the Company RM	From subsidiary companies RM
Directors of the Company:		
Fees and other emoluments	350,000	99,360
Remuneration	103,245	7,824,188
Estimated money value of any other benefits	-	51,950
	453,245	7,975,498

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, apart from the issuance of the warrants by the Company.

## Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

## Share Buy-Back

The shareholders of the Company, by an ordinary resolution passed in the annual general meeting held on 22 May 2023, renewed their approval for the Company's plan to repurchase its own shares.

During the financial year, the Company repurchased 349,900 ordinary shares from the open market at an average price of RM0.40 per share. The total consideration paid for the repurchase including transaction costs was RM143,574.

# Directors' Report (Cont'd)

## Indemnity and insurance costs

During the financial year, the total amount of insurance effected for Directors and Officers of the Company and its subsidiaries is RM6,577,693. There is no indemnity given to or insurance effected for auditors of the Company.

## Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

# Directors' Report (Cont'd)

## Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM243,000 and RM115,000 respectively. Details of the auditors' remuneration are set out in Note 20 to the financial statements.

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

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**Lau Joo Yong**  
Director

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**Lau Joo Pern**  
Director

Kuala Lumpur

Date: 16 April 2024

# Statements of Financial Position

as at 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Assets</b>					
Property, plant and equipment	3	418,044,234	431,747,130	17,141,672	17,629,913
Intangible assets		22,211	22,211	-	-
Right-of-use assets	4	15,294,057	13,249,743	-	-
Investment properties	5	26,421,848	26,421,848	-	-
Investment in subsidiaries	6	-	-	202,730,005	202,730,005
Deferred tax assets	7	6,898,121	-	1,217,020	-
Other receivables	8	-	-	75,350,000	78,350,000
Other investments	9	10,000,000	10,000,000	10,000,000	10,000,000
<b>Total non-current assets</b>		<b>476,680,471</b>	<b>481,440,932</b>	<b>306,438,697</b>	<b>308,709,918</b>
<hr/>					
Inventories	10	85,294,681	109,684,403	-	-
Trade and other receivables	8	57,510,346	69,855,776	18,080,463	13,475,573
Prepayments		2,676,378	2,717,232	-	-
Tax recoverable		95,180,004	89,651,067	718,007	684,677
Other investments	9	105,546,837	102,672,517	26,211,317	25,830,788
Cash and cash equivalents	11	141,182,301	134,562,697	19,339,750	14,611,567
<b>Total current assets</b>		<b>487,390,547</b>	<b>509,143,692</b>	<b>64,349,537</b>	<b>54,602,605</b>
<b>Total assets</b>		<b>964,071,018</b>	<b>990,584,624</b>	<b>370,788,234</b>	<b>363,312,523</b>
<hr/>					
<b>Equity</b>					
Share capital	12.1	142,985,383	142,985,383	142,985,383	142,985,383
Treasury shares	12.2	(5,511,616)	(5,368,042)	(5,511,616)	(5,368,042)
Other reserves	12.3	11,319,230	11,319,230	11,319,230	11,319,230
Revaluation reserve	12.4	31,862,097	17,921,859	4,867,054	4,821,378
Retained earnings		689,050,309	725,187,834	216,168,756	207,697,315
<b>Total equity</b>		<b>869,705,403</b>	<b>892,046,264</b>	<b>369,828,807</b>	<b>361,455,264</b>



# Statements of Financial Position (Cont'd)

as at 31 December 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
<b>Liabilities</b>					
Loan and borrowings	13	9,028,164	11,179,838	-	-
Provision for restoration	14	2,588,487	-	-	-
Deferred tax liabilities	7	2,290,922	2,749,585	-	866,694
<b>Total non-current liabilities</b>		13,907,573	13,929,423	-	866,694
<hr/>					
Loan and borrowings	13	33,337,218	24,515,444	-	-
Trade and other payables	15	44,410,909	55,295,656	959,427	990,565
Contract liabilities	16	2,709,915	4,797,837	-	-
<b>Total current liabilities</b>		80,458,042	84,608,937	959,427	990,565
<b>Total liabilities</b>		94,365,615	98,538,360	959,427	1,857,259
<b>Total equity and liabilities</b>		964,071,018	990,584,624	370,788,234	363,312,523

The notes on pages 87 to 143 are an integral part of the financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue</b>	17	325,882,923	606,680,209	2,610,192	35,138,225
Cost of sales		(349,751,783)	(635,046,263)	-	-
<b>Gross (loss)/profit</b>		(23,868,860)	(28,366,054)	2,610,192	35,138,225
Other income		7,359,061	7,915,680	1,830,995	1,560,888
Selling and marketing expenses		(4,543,452)	(12,612,505)	-	-
Administrative expenses		(26,300,179)	(31,111,873)	(4,533,544)	(5,772,933)
Net (loss)/reversal on impairment of financial instruments		(5,568,661)	2,800,968	-	-
<b>Results from operating activities</b>		(52,922,091)	(61,373,784)	(92,357)	30,926,180
Finance income	18	7,090,517	3,085,868	6,101,156	4,177,470
Finance costs	19	(2,130,933)	(1,871,822)	-	-
<b>(Loss)/Profit before tax</b>	20	(47,962,507)	(60,159,738)	6,008,799	35,103,650
Taxation	21	11,149,634	17,856,217	2,264,019	62,723
<b>(Loss)/Profit for the year</b>		(36,812,873)	(42,303,521)	8,272,818	35,166,373
<b>Other comprehensive (expense)/ income, net of tax</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Revaluation of lands and buildings		14,615,586	-	244,299	-
<b>Total comprehensive (expense)/ income for the year</b>	22	(22,197,287)	(42,303,521)	8,517,117	35,166,373
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		(36,812,873)	(42,303,521)	8,272,818	35,166,373
<b>Total comprehensive (expense)/ income attributable to:</b>					
Owners of the Company		(22,197,287)	(42,303,521)	8,517,117	35,166,373
<b>Loss per ordinary share (sen)</b>					
Basic	23	(6.36)	(7.29)		
Diluted	23	(6.36)	(7.29)		

The notes on pages 87 to 143 are an integral part of the financial statements.

# Statements of Changes in Equity

for the year ended 31 December 2023

Group	Note	Attributable to owners of the Company					Total equity RM
		Share capital RM	Treasury shares RM	Non-distributable	Distributable	Retained profit RM	
			Other reserve RM	Revaluation reserve RM			
<b>At 1 January 2022</b>		142,985,383	(4,771,408)	11,319,230	18,597,207	766,816,007	934,946,419
Loss for the year		-	-	-	-	(42,303,521)	(42,303,521)
Realisation of revaluation reserve		-	-	(675,348)	675,348	-	-
Total comprehensive expense for the year		-	-	(675,348)	(41,628,173)	(42,303,521)	(42,303,521)
Shares repurchased		-	(596,634)	-	-	-	(596,634)
Transactions with owners for the year		-	(596,634)	-	-	-	(596,634)
<b>At 31 December 2022/1 January 2023</b>		142,985,383	(5,368,042)	11,319,230	17,921,859	725,187,834	892,046,264
Loss for the year		-	-	-	-	(36,812,873)	(36,812,873)
Revaluation of lands and buildings		-	-	14,615,586	14,615,586	-	14,615,586
Realisation of revaluation reserve		-	-	(675,348)	675,348	-	-
Total comprehensive expense for the year		-	-	13,940,238	(36,137,525)	(22,197,287)	(22,197,287)
Shares repurchased		-	(143,574)	-	-	-	(143,574)
Transactions with owners for the year		-	(143,574)	-	-	-	(143,574)
<b>At 31 December 2023</b>		142,985,383	(5,511,616)	11,319,230	31,862,097	689,050,309	869,705,403

Note 12.1      Note 12.2      Note 12.3      Note 12.4

# Statements of Changes in Equity (Cont'd)

for the year ended 31 December 2023

Company	Note	Attributable to owners of the Company				Distributable	Total equity
		Share capital	Treasury shares	Non-distributable	Retained profit		
		RM	RM	RM	RM	RM	
<b>At 1 January 2022</b>		142,985,383	(4,771,408)	11,319,230	5,020,001	172,332,319	326,885,525
Profit for the year		-	-	-	-	35,166,373	35,166,373
Realisation of revaluation reserve		-	-	-	(198,623)	198,623	-
Total comprehensive income for the year		-	-	-	(198,623)	35,364,996	35,166,373
Shares repurchased		-	(596,634)	-	-	-	(596,634)
Transactions with owners for the year		-	(596,634)	-	-	-	(596,634)
<b>At 31 December 2022/1 January 2023</b>		142,985,383	(5,368,042)	11,319,230	4,821,378	207,697,315	361,455,264
Profit for the year		-	-	-	-	8,272,818	8,272,818
Revaluation surplus		-	-	-	244,299	-	244,299
Realisation of revaluation reserve		-	-	-	(198,623)	198,623	-
Total comprehensive income for the year		-	-	-	45,676	8,471,441	8,517,117
Shares repurchased		-	(143,574)	-	-	-	(143,574)
Transactions with owners for the year		-	(143,574)	-	-	-	(143,574)
<b>At 31 December 2023</b>		142,985,383	(5,511,616)	11,319,230	4,867,054	216,168,756	369,828,807
	Note 12.1	Note 12.2	Note 12.2	Note 12.3	Note 12.4		

The notes on pages 87 to 143 are an integral part of the financial statements.

# Statements Cash Flows

for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash flows from operating activities</b>					
(Loss)/Profit before tax		(47,962,507)	(60,159,738)	6,008,799	35,103,650
<i>Adjustments for:</i>					
Net loss/(reversal) on impairment of financial assets		5,568,661	(2,800,968)	-	-
Depreciation of right-of-use assets	4	407,213	401,457	-	-
Interest expense		2,130,933	1,871,822	-	-
Interest income		(7,090,517)	(3,085,868)	(6,101,156)	(4,177,470)
Net fair value loss on derivatives		-	377,829	-	-
Net fair value (gain)/loss on other investments		(899,913)	1,052,854	(270,130)	903,584
Property, plant and equipment:					
- (gain)/loss on disposal		(51,054)	75,244	-	-
- depreciation	3	44,798,370	44,754,253	948,845	905,750
- impairment	3	444,860	-	-	-
- written off		-	321,513	-	321,513
Net (reversal)/recognition of inventories written down		(7,041,546)	10,484,695	-	-
Unrealised gain on foreign exchange		(6,272,116)	(5,048,986)	-	-
<b>Operating (loss)/profit before working capital changes</b>					
		(15,967,616)	(11,755,893)	586,358	33,057,027
Changes in working capital:					
Inventories		31,431,268	78,035,838	-	-
Receivables		8,595,746	70,511,885	(46,306)	(22,409)
Prepayments		40,854	1,611,124	-	-
Payables		(11,174,937)	(32,532,585)	(31,138)	(52,167)
Net payment to subsidiaries		-	-	(4,558,584)	(4,993,599)
Provision		2,588,487	-	-	-
Contract liabilities		(2,087,922)	(3,101,558)	-	-
<b>Cash from/(used in) operations</b>					
		13,425,880	102,768,811	(4,049,670)	27,988,852

# Statements of Cash Flows (Cont'd)

for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash from/(used in) operations (Cont'd)</b>		13,425,880	102,768,811	(4,049,670)	27,988,852
Income tax paid		(6,423,719)	(65,970,913)	(33,330)	-
Income tax refunded		325	-	-	-
Interest paid		-	(49)	-	-
Interest received		4,366,111	1,501,727	389,795	147,275
<b>Net cash from/(used in) operating activities</b>		11,368,597	38,299,576	(3,693,205)	28,136,127
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(14,034,400)	(50,188,571)	(36,000)	(642,800)
Proceeds from disposal of property, plant and equipment		87,300	852,417	-	-
Additions to other investments		(1,974,407)	(834,142)	(110,399)	(26,196)
Interest income from other investments		2,724,406	1,584,141	860,399	776,195
Repayment of loans by a subsidiary		-	-	3,000,000	3,000,000
Interest income from a subsidiary		-	-	4,850,962	3,254,000
Acquisition of subsidiaries, net of cash and cash equivalents acquired	29	-	(25,630,647)	-	(25,780,000)
<b>Net cash (used in)/from investing activities</b>		(13,197,101)	(74,216,802)	8,564,962	(19,418,801)
<b>Cash flows from financing activities</b>					
Repurchase of treasury shares		(143,574)	(596,634)	(143,574)	(596,634)
Net changes in bill payables		9,285,106	(53,293,445)	-	-
Repayment of term loans		(2,796,000)	(2,796,000)	-	-
Repayment of lease liability	(a)	(17,808)	(14,378)	-	-
Interest paid		(2,130,933)	(1,871,773)	-	-
<b>Net cash from/(used in) financing activities</b>		4,196,791	(58,572,230)	(143,574)	(596,634)

# Statements of Cash Flows (Cont'd)

for the year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Net increase/(decrease) in cash and bank balances</b>		2,368,287	(94,489,456)	4,728,183	8,120,692
Effect of exchange rate fluctuations		4,251,317	7,703,901	-	-
<b>Cash and bank balances at beginning of the year</b>		134,562,697	221,348,252	14,611,567	6,490,875
<b>Cash and bank balances at end of the year</b>	11	141,182,301	134,562,697	19,339,750	14,611,567

(a) **Cash outflows for leases as a lessee**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Included in net cash from operating activities</b>					
Payment relating to short-term lease		(1,126,861)	(2,004,552)	-	-
Payment relating to low-value assets		(48,448)	(55,104)	-	-
		(1,175,309)	(2,059,656)	-	-
<b>Included in net cash used in financing activities</b>					
Repayment of lease liability		(17,808)	(14,378)	-	-
Interest paid in relation to lease liability		(35,947)	(33,621)	-	-
<b>Total cash outflows for leases</b>		(1,229,064)	(2,107,655)	-	-

# Statements of Cash Flows (Cont'd)

for the year ended 31 December 2023

## (b) Reconciliation of movements of liabilities to cash flows arising from financing activities

	Term loans RM	Bill payables RM	Lease liabilities RM	Total liabilities from financing activities RM
<b>Group</b>				
<b>At 1 January 2022</b>	15,784,194	75,016,225	1,016,900	91,817,319
Net changes from financing cash flow	(2,796,000)	(53,293,445)	(14,378)	(56,103,823)
Foreign exchange movement	-	(18,214)	-	(18,214)
<b>At 31 December 2022/1 January 2023</b>	12,988,194	21,704,566	1,002,522	35,695,282
Acquisition of new lease liabilities	-	-	690,814	690,814
Net changes from financing cash flow	(2,796,000)	9,285,106	(17,808)	6,471,298
Foreign exchange movement	-	(492,012)	-	(492,012)
<b>At 31 December 2023</b>	10,192,194	30,497,660	1,675,528	42,365,382



# Notes to the Financial Statements

Comfort Gloves Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

## **Principal place of business**

Lot. 821, Jalan Matang  
34750 Matang  
Taiping  
Perak Darul Ridzuan

## **Registered office**

55A, Medan Ipoh 1A  
Medan Ipoh Bistari  
31400 Ipoh  
Perak Darul Ridzuan

The consolidated financial statements of the Company as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the year ended 31 December 2023 do not include other entities.

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 16 April 2024.

## **1. Basis of preparation**

### **(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

# Notes to the Financial Statements (Cont'd)

## 1. Basis of preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

### (c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

# Notes to the Financial Statements (Cont'd)

## 1. Basis of preparation (Cont'd)

### (d) Use of estimates and judgements (Cont'd)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

#### (i) Expected credit loss for trade receivables

Allowance for doubtful debts is made by an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. A considerable amount of judgement is required in assessing the loss rates, which are based on actual credit loss experience. The Group also considers differences between (a) economic conditions during the year over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. If the financial conditions of the customers with which the Group deals were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

#### (ii) Valuation of inventories

The cost of inventories comprises the cost of purchase of raw materials, direct labour, plus conversion costs such as variable and fixed overheads. The cost allocation process involves multiple inputs and Group's judgement is required to estimate the cost of finished goods and work-in-progress which comprise the cost of raw materials, direct labour and the appropriate allocation of overheads based on normal production capacity.

The Group write down the inventories based on the assessment of their estimated net realisable value. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The assessment requires judgement in determining the level of inventories written down.

#### (iii) Impairment of property, plant and equipment

The Group reviews the property, plant and equipment for impairment when there is an indication of impairment. The recoverable amount of property, plant and equipment is assessed by reference to the value in use of the property, plant and equipment. Value in use is the present value of the projected future cash flows derived from the property, plant and equipment discounted with appropriate discount rates. The discounted cash flow method involves the use of estimated future results and a set of assumptions to reflect the income and cash flows. Significant judgement is also required to determine the discount rates to be applied in deriving the present value of the projected future cash flows.

# Notes to the Financial Statements (Cont'd)

## 1. Basis of preparation (Cont'd)

### (d) Use of estimates and judgements (Cont'd)

#### (iv) Revaluation of property, plant and equipment and right-of-use assets

Certain properties of the Group held under property, plant and equipment and right-of-use assets are reported at revalued amounts which are based on valuations performed by independent professional valuers. The valuers used judgement in determining the factors used in the valuation process and have also applied judgement in estimating prices for not readily observable external parameters by reference to the selling prices of recent transactions and asking prices of similar properties of nearby locations and where necessary, adjusting for tenure, location, size, market trends and others. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations.

## 2. Changes in material accounting policies

### 2.1 Material accounting policy information

The Group adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosure of Accounting Policies from 1 January 2023. The amendment require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

# Notes to the Financial Statements (Cont'd)

## 3. Property, plant and equipment

Group	Freehold land RM	Factory and office buildings RM	Infrastructure RM	Plant machinery and formers RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Capital work-in-progress RM	Total RM
<b>Cost/valuation</b>								
<b>At 1 January 2022</b>	32,515,838	72,528,857	6,092,874	357,430,096	6,601,155	10,957,298	50,925,796	537,051,914
Additions	-	823,880	646,522	17,081,018	18,000	1,156,225	30,462,926	50,188,571
Transfer	-	145,000	-	9,431,780	-	380,905	(9,957,685)	-
Disposal	-	-	-	-	(1,407,525)	-	(201,870)	(1,609,395)
Written off	-	-	-	-	-	-	(321,513)	(321,513)
<b>At 31 December 2022/</b>								
<b>1 January 2023</b>	32,515,838	73,497,737	6,739,396	383,942,894	5,211,630	12,494,428	70,907,654	585,309,577
Additions	-	1,942,486	62,687	4,942,986	-	473,412	6,612,829	14,034,400
Transfer	-	526,418	58,400	20,401,741	-	909,110	(21,895,669)	-
Revaluation (deficit)/ surplus	(390,093)	17,932,273	-	-	-	-	-	17,542,180
Elimination of accumulated depreciation on revaluation	-	(18,109,579)	-	-	-	-	-	(18,109,579)
Disposal	-	-	-	-	(228,069)	-	-	(228,069)
<b>At 31 December 2023</b>	32,125,745	75,789,335	6,860,483	409,287,621	4,983,561	13,876,950	55,624,814	598,548,509

### 3. Property, plant and equipment (Cont'd)

Group	Freehold land RM	Factory and office buildings RM	Infrastructure RM	Plant machinery and formers RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Capital work-in-progress RM	Total RM
<b>Depreciation and impairment</b>								
<b>At 1 January 2022</b>								
Accumulated depreciation	-	10,001,273	1,693,624	90,867,684	1,617,876	5,309,471	-	109,489,928
Depreciation for the year	-	4,032,051	629,398	37,596,752	760,034	1,736,018	-	44,754,253
Disposal	-	-	-	-	(681,734)	-	-	(681,734)
<b>At 31 December 2022/ 1 January 2023</b>								
Accumulated depreciation	-	14,033,324	2,323,022	128,464,436	1,696,176	7,045,489	-	153,562,447
Depreciation for the year	-	4,098,175	672,702	37,745,027	641,316	1,641,150	-	44,798,370
Impairment loss	115,745	329,115	-	-	-	-	-	444,860
Elimination of accumulated depreciation on revaluation	-	(18,109,579)	-	-	-	-	-	(18,109,579)
Disposal	-	-	-	-	(191,823)	-	-	(191,823)
<b>At 31 December 2023</b>								
Accumulated depreciation	-	21,920	2,995,724	166,209,463	2,145,669	8,686,639	-	180,059,415
Accumulated impairment	115,745	329,115	-	-	-	-	-	444,860
	115,745	351,035	2,995,724	166,209,463	2,145,669	8,686,639	-	180,504,275

# Notes to the Financial Statements (Cont'd)

## 3. Property, plant and equipment (Cont'd)

Group	Freehold land	Factory and office buildings	Infrastructure	Plant machinery and formers	Motor vehicles	Office equipment, furniture and fittings	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Carrying amounts</b>								
At 1 January 2022	32,515,838	62,527,584	4,399,250	266,562,412	4,983,279	5,647,827	50,925,796	427,561,986
At 31 December 2022/ 1 January 2023	32,515,838	59,464,413	4,416,374	255,478,458	3,515,454	5,448,939	70,907,654	431,747,130
At 31 December 2023	32,010,000	75,438,300	3,864,759	243,078,158	2,837,892	5,190,311	55,624,814	418,044,234
Company	Freehold land	Factory and office buildings	Infrastructure	Motor vehicles	Office equipment, furniture and fittings	Capital work-in-progress	Total	
Cost/valuation	RM	RM	RM	RM	RM	RM	RM	
At 1 January 2022	-	-	-	-	46,000	-	346,417	
Additions	-	633,800	-	-	9,000	-	642,800	
Transfer from assets held for sale	6,900,000	12,860,552	266,563	-	-	-	20,348,628	
Written off	-	-	-	-	-	(321,513)	(321,513)	
<b>At 31 December 2022/ 1 January 2023</b>	<b>6,900,000</b>	<b>13,494,352</b>	<b>266,563</b>	<b>300,417</b>	<b>55,000</b>	<b>-</b>	<b>21,016,332</b>	
Additions	-	-	-	-	36,000	-	36,000	
Revaluation (deficit)/surplus	(560,000)	984,604	-	-	-	-	424,604	
Elimination of accumulated depreciation on revaluation	-	(3,988,956)	-	-	-	-	(3,988,956)	
<b>At 31 December 2023</b>	<b>6,340,000</b>	<b>10,490,000</b>	<b>266,563</b>	<b>300,417</b>	<b>91,000</b>	<b>-</b>	<b>17,487,980</b>	

## 3. Property, plant and equipment (Cont'd)

## Notes to the Financial Statements (Cont'd)

Company	Freehold land RM	Factory and office buildings RM	Infrastructure RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Capital work-in-progress RM	Total RM
<b>Depreciation</b>							
<b>At 1 January 2022</b>	-	-	-	87,622	920	-	88,542
Depreciation for the year	-	853,028	19,000	30,042	3,680	-	905,750
Transfer from assets held for sale	-	2,251,211	140,916	-	-	-	2,392,127
<b>At 31 December 2022/ 1 January 2023</b>	-	3,104,239	159,916	117,664	4,600	-	3,386,419
Depreciation for the year	-	884,717	26,656	30,042	7,430	-	948,845
Elimination of accumulated depreciation on revaluation	-	(3,988,956)	-	-	-	-	(3,988,956)
<b>At 31 December 2023</b>	-	-	186,572	147,706	12,030	-	346,308
<b>Carrying amounts</b>							
At 1 January 2022	-	-	-	212,795	45,080	-	257,875
At 31 December 2022/1 January 2023	6,900,000	10,390,113	106,647	182,753	50,400	-	17,629,913
At 31 December 2023	6,340,000	10,490,000	79,991	152,711	78,970	-	17,141,672





# Notes to the Financial Statements (Cont'd)

## 3. Property, plant and equipment (Cont'd)

### 3.1 Assets pledged as security

Freehold land, factory and office buildings of the Group with total carrying amount of RM28,380,000 (2022: RM22,960,429) have been pledged as security to secure term loans and credit facilities of the Group as disclosed in Note 13 to the financial statements.

### 3.2 Capital work-in-progress

The Group's capital work-in-progress represents capital expenditures incurred for buildings, plant and machinery in the course of construction.

### 3.3 Revaluation of freehold lands, factory and office buildings

The freehold lands, factory and office buildings have been revalued by external independent valuers in December 2023.

#### Valuation process applied by the Group and the Company

Fair value of the freehold lands, factory and office buildings have been derived using the market approach method and the cost approach method. The market approach method being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences. The cost approach method being the Depreciated Replacement Cost (DRC) of the buildings and other improvements.

Had the revalued assets been carried at historical cost less accumulated depreciation, the net carrying amount of the revalued assets that would have been included in the financial statements at end of the financial period would be as follows:

Group	Cost RM	Accumulated depreciation RM	Net carrying amount RM
<b>2023</b>			
Freehold lands	21,115,838	-	21,115,838
Factory and office buildings	74,144,266	(24,367,018)	49,777,248
	95,260,104	(24,367,018)	70,893,086
<b>2022</b>			
Freehold lands	21,115,838	-	21,115,838
Factory and office buildings	71,675,362	(21,655,705)	50,019,657
	92,791,200	(21,655,705)	71,135,495

# Notes to the Financial Statements (Cont'd)

## 3. Property, plant and equipment (Cont'd)

### 3.3 Revaluation of freehold lands, factory and office buildings (Cont'd)

	Cost RM	Accumulated depreciation RM	Net carrying amount RM
<b>Company</b>			
<b>2023</b>			
Freehold land	3,300,000	-	3,300,000
Factory and office buildings	12,382,753	(4,728,557)	7,654,196
	15,682,753	(4,728,557)	10,954,196
<b>2022</b>			
Freehold land	3,300,000	-	3,300,000
Factory and office buildings	12,382,753	(4,105,185)	8,277,568
	15,682,753	(4,105,185)	11,577,568

### 3.4 Fair value information

Fair value of freehold lands, factory and office buildings are categorised as follows:

Group	2023 RM
<b>Level 3</b>	
Freehold lands	32,010,000
Factory and office buildings	73,609,731
<b>Company</b>	
<b>Level 3</b>	
Freehold land	6,340,000
Factory and office buildings	10,490,000

#### Level 3 fair value

#### Freehold lands, factory and office buildings

The fair value of freehold lands, factory and office buildings are based on valuation by independent external valuers using the market approach method and cost approach method.

# Notes to the Financial Statements (Cont'd)

## 3. Property, plant and equipment (Cont'd)

### 3.5 Impairment of property, plant and equipment

During the current and prior financial year, property, plant and equipment was tested for impairment due to impairment indicators resulted by lower utilisation rate of gloves production.

Management used the value in use method to determine the recoverable amount of the assets.

The following describes each key assumption on which management has based its cash flows projection to undertake impairment testing of property, plant and equipment:

- (i) Projected revenue and budgeted gross profit margin are determined based on the management's estimate on the industry trends for the average selling price of gloves and past performances of the Group.
- (ii) Growth rate for the first 5 years is determined based on the management's estimate on the industry trends and past performances of the Group, and assume to remain constant thereafter.
- (iii) An average pre-tax discount rate of 14.42% (2022 : 14.30%) was applied in determining the recoverable amount of the assets.

The abovementioned impairment testing did not give rise to impairment losses on the property, plant and equipment.

#### *Sensitivity to changes in key assumptions*

The sensitivity test indicated that changes in the pre-tax discount rate used in the value-in-use calculation will result in the recoverable amount to equal to the corresponding carrying amounts of property, plant and equipment, assuming no change in other variables, is as follows:

Increase in pre-tax discount rate 0.8%

### 3.6 Property, plant and equipment subject to operating lease

The Company leases some of its factory buildings to subsidiaries for a period of twelve months. Subsequent renewals are negotiated with the subsidiaries.

These leases do not include residual value guarantees.

The following are recognised in profit or loss:

	2023 RM	2022 RM
<b>Company</b>		
Lease income	1,560,000	1,560,000

# Notes to the Financial Statements (Cont'd)

## 3. Property, plant and equipment (Cont'd)

### 3.6 Property, plant and equipment subject to operating lease (Cont'd)

The operating lease payments to be received are as follows:

	2023 RM	2022 RM
<b>Company</b>		
Less than one year	1,560,000	1,560,000
Total undiscounted lease payments	1,560,000	1,560,000

### 3.7 Material accounting policy information

#### (i) Recognition and measurement

Freehold land, factory and office buildings are measured at valuation less any accumulated depreciation and any accumulated impairment losses. Other items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The Group and the Company revalue its freehold land, factory and office buildings every five (5) years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to their revaluation are stated in the financial statements at costs until the next revaluation exercise.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. 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 is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surpluses reserve are transferred to retained earnings.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

#### (ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Freehold land is not depreciated. Plant and equipment under construction are not depreciated until the asset are ready for their intended use.

The estimated depreciation annual rates for the current and comparative periods are as follows:

• Factory and office buildings	5%
• Infrastructure	10%
• Plant, machinery and formers	5% - 50%
• Motor vehicles	10% - 16%
• Office equipment, furniture and fittings	8% - 50%

# Notes to the Financial Statements (Cont'd)

## 4. Right-of-use assets

Group	Leasehold lands RM
<b>Cost</b>	
At 1 January 2022/31 December 2022/1 January 2023	14,712,355
Addition	690,814
Revaluation surplus	1,760,713
Elimination of accumulated depreciation on revaluation	(1,864,069)
At 31 December 2023	15,299,813
<b>Depreciation</b>	
At 1 January 2022	1,061,155
Depreciation for the year	401,457
At 31 December 2022/1 January 2023	1,462,612
Depreciation for the year	407,213
Elimination of accumulated depreciation on revaluation	(1,864,069)
At 31 December 2023	5,756
<b>Carrying amounts</b>	
At 1 January 2022	13,651,200
At 31 December 2022/1 January 2023	13,249,743
At 31 December 2023	15,294,057

The Group's leasehold lands have lease term ranging from 204 to 442 months. The leasehold land with carrying amount of RM13,750,000 (2022: RM12,333,479) has been pledged as security to secure bill payables facility of the Group as disclosed in Note 13 to the financial statements.

### 4.1 Revaluation of leasehold land

The leasehold lands have been revalued by an external independent valuer and management in December 2023.

#### Valuation process applied by the Group

Fair value of the leasehold lands have been derived using the market approach method and income approach method. The market approach method being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences. The income approach method is derived from discounted income stream whereby the rental per square meter and discount rate are used.

# Notes to the Financial Statements (Cont'd)

## 4. Right-of-use assets (Cont'd)

### 4.2 Fair value information

Fair value of the lands and buildings are categorised as follows:

Group	2023 RM
<b>Level 3</b>	
Leasehold lands	14,608,999

#### Level 3 fair value

##### Leasehold lands

The fair value of leasehold lands are based on valuation by an independent external valuer using the market approach method and the Group has also adopted income approach method by using recent rental per square meter and discount rate.

### 4.3 Material accounting policy information

#### (i) Definition of a lease

At inception or on reassessment of a contract that contains a lease component, the Group allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group are a lessee, they have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

#### (ii) Recognition and initial measurement

Leasehold lands are measured at valuation less any accumulated depreciation and any accumulated impairment losses.

The Group revalues its leasehold lands every five (5) years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to their revaluation are stated in the financial statements at costs until the next revaluation exercise.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. 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 is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surpluses reserve are transferred to retained earnings.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# Notes to the Financial Statements (Cont'd)

## 5. Investment properties

Group	Freehold land RM
<b>Cost</b>	
At 31 December 2022/1 January 2023/31 December 2023	26,421,848

Investment properties comprise of freehold that are held for capital appreciation purposes.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2023 RM	2022 RM
Direct operating expenses:		
- non-income generating investment properties	3,197	1,455

### 5.1 Fair value information

Fair value of investment properties are categorised as follows:

Group	2023 RM	2022 RM
<b>Level 3</b>		
Freehold land	27,100,000	27,100,000

#### Valuation process applied by the Group

Fair value of the freehold land has been derived using the sales comparison method. The sales comparison method being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences.

### 5.2 Material accounting policy information

Investment properties which are owned are measured initially and subsequently at cost.

# Notes to the Financial Statements (Cont'd)

## 6. Investment in subsidiaries

	Company	
	2023	2022
	RM	RM
Unquoted shares, at cost	213,586,007	213,586,007
Less: Impairment loss	(10,856,002)	(10,856,002)
	202,730,005	202,730,005

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest	
			2023 %	2022 %
Comfort Rubber Gloves Industries Sdn. Bhd.	Malaysia	Manufacturing and trading of latex gloves	100	100
I Quality Rubber Industries Sdn. Bhd.	Malaysia	Dormant	100	100
Pacewell Asia Sdn. Bhd.	Malaysia	Trading of latex gloves	100	100
QMG Manufacturing Sdn. Bhd.	Malaysia	Dormant	100	100
Fruitful Achievement Sdn. Bhd.	Malaysia	Dormant	100	100
Goldhill Melody Sdn. Bhd. <sup>(Note 1)</sup>	Malaysia	Investment holding, property development and construction	100	100
<b>Subsidiaries of Comfort Rubber Gloves Industries Sdn. Bhd.</b>				
Gallant Quality Sdn. Bhd.	Malaysia	Trading of latex gloves	100	100

Note 1: On 10 June 2022, the Company acquired ordinary shares in Goldhill Melody Sdn. Bhd. for a total cash consideration of RM25,780,000 representing 100% of the total issued and paid-up share capital of Goldhill Melody Sdn. Bhd..

### 6.1 Material accounting policy information

Investment in subsidiaries are measured in the Company's financial position at cost less any impairment losses.



# Notes to the Financial Statements (Cont'd)

## 7. Deferred tax assets/(liabilities)

### Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	RM	RM	RM	RM	RM	RM
Property, plant and equipment	82,604	-	(35,257,435)	(30,860,155)	(35,174,831)	(30,860,155)
Investment properties	-	-	(496,446)	(496,446)	(496,446)	(496,446)
Unutilised tax losses	12,681,750	6,427,255	-	-	12,681,750	6,427,255
Unutilised capital allowances	25,661,473	13,656,765	-	-	25,661,473	13,656,765
Others	1,935,253	8,522,996	-	-	1,935,253	8,522,996
Tax assets/(liabilities)	40,361,080	28,607,016	(35,753,881)	(31,356,601)	4,607,199	(2,749,585)
Set off of tax	(33,462,959)	(28,607,016)	33,462,959	28,607,016	-	-
Net tax assets/(liabilities)	6,898,121	-	(2,290,922)	(2,749,585)	4,607,199	(2,749,585)
<b>Company</b>						
Property, plant and equipment	82,604	-	(984,276)	(866,694)	(901,672)	(866,694)
Unutilised tax losses	2,118,692	-	-	-	2,118,692	-
Tax assets/(liabilities)	2,201,296	-	(984,276)	(866,694)	1,217,020	(866,694)
Set off of tax	(984,276)	-	984,276	-	-	-
Net tax assets/(liabilities)	1,217,020	-	-	(866,694)	1,217,020	(866,694)

## 7. Deferred tax assets/(liabilities) (Cont'd)

### Movement in temporary differences during the financial year

Group	At 1.1.2022		Acquisition through business combination	Recognised in profit or loss (Note 21)	At 31.12.2022/ 1.1.2023	Recognised in profit or loss (Note 21)	Deferred tax liabilities arising from revaluation of buildings (Note 22)	At 31.12.2023
	RM	RM						
Property, plant and equipment	(38,021,548)	-	-	7,161,393	(30,860,155)	372,631	(4,687,307)	(35,174,831)
Investment properties	-	(496,446)	(496,446)	-	(496,446)	-	-	(496,446)
Unutilised tax losses	-	-	-	6,427,255	6,427,255	6,254,495	-	12,681,750
Unutilised capital allowances	-	-	-	13,656,765	13,656,765	12,004,708	-	25,661,473
Others	7,625,173	-	-	897,823	8,522,996	(6,587,743)	-	1,935,253
	(30,396,375)	(496,446)	(496,446)	28,143,236	(2,749,585)	12,044,091	(4,687,307)	4,607,199
<b>Company</b>								
Property, plant and equipment	(929,417)	-	-	62,723	(866,694)	145,327	(180,305)	(901,672)
Unutilised tax losses	-	-	-	-	-	2,118,692	-	2,118,692
	(929,417)	-	-	62,723	(866,694)	2,264,019	(180,305)	1,217,020

# Notes to the Financial Statements (Cont'd)

## 7. Deferred tax assets/(liabilities) (continued)

### Unrecognised deferred tax assets

The temporary differences of which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Unutilised tax losses	-	12,981,147	-	12,885,676
Taxable temporary differences	-	(120,746)	-	(120,746)
	-	12,860,401	-	12,764,930

The tax losses for which no deferred tax asset was recognised expire as follows:

	Group		Company	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Expired in				
YA 2028	-	12,885,676	-	12,885,676
YA 2029	-	3,515	-	-
YA 2030	-	53,296	-	-
YA 2031	-	38,660	-	-
	-	12,981,147	-	12,885,676

The other deductible temporary differences of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

# Notes to the Financial Statements (Cont'd)

## 8. Trade and other receivables

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
<b>Non-current</b>					
<b>Non-trade</b>					
Amount owing by a subsidiary	(a)	-	-	75,350,000	78,350,000
<b>Current</b>					
<b>Trade</b>					
Trade receivables		61,433,731	69,143,680	-	-
Less: Impairment loss		(5,846,909)	(419,538)	-	-
	(b)	55,586,822	68,724,142	-	-
<b>Non-trade</b>					
Other receivables		174,332	249,561	88,542	42,235
Amount owing by subsidiaries	(c)	-	-	17,882,921	13,324,338
Deposits		1,749,192	882,073	109,000	109,000
		1,923,524	1,131,634	18,080,463	13,475,573
<b>Total (current)</b>		<b>57,510,346</b>	<b>69,855,776</b>	<b>18,080,463</b>	<b>13,475,573</b>
<b>Total (non-current and current)</b>		<b>57,510,346</b>	<b>69,855,776</b>	<b>93,430,463</b>	<b>91,825,573</b>

- (a) The non-current amount owing by a subsidiary represents advances to a subsidiary which are unsecured, subject to interest at 6.19% (2022: 4.00%) per annum with annual principal repayment of RM3,000,000 over 31 years period commencing from financial year 2019.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms range from 30 to 120 days (2022: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.
- (c) The current amount owing by subsidiaries is unsecured, interest free, repayable on demand and is expected to be settled by cash, except for an amount of RM3,000,000 (2022: RM3,000,000) which is subject to interest at 6.19% (2022: 4.00%) per annum.

# Notes to the Financial Statements (Cont'd)

## 9. Other investments

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Non-current</b>				
Investment in trust fund	10,000,000	10,000,000	10,000,000	10,000,000
<b>Current</b>				
Investment in unit trusts	105,546,837	102,672,517	26,211,317	25,830,788
	115,546,837	112,672,517	36,211,317	35,830,788

### 9.1 Material accounting policy information

The Group and the Company elect to present subsequent changes in the fair value of other investments through profit or loss.

## 10. Inventories

	Group	
	2023	2022
	RM	RM
<b>At cost</b>		
Finished goods	18,039,288	34,560,550
Work in progress	58,152,281	63,065,574
Raw materials	7,403,189	10,428,739
Packing materials	854,702	779,435
Chlorination chemicals	53,568	-
Consumables	153,438	359,173
Rights to recover returned goods	638,215	490,932
	85,294,681	109,684,403

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year are RM188,268,187 (2022: RM382,093,147).

### 10.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

# Notes to the Financial Statements (Cont'd)

## 11. Cash and cash equivalents

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash on hand and bank balances	89,781,596	129,408,553	19,339,750	14,611,567
Deposits placed with licensed banks	51,400,705	5,154,144	-	-
	141,182,301	134,562,697	19,339,750	14,611,567

## 12. Share capital and reserves

### 12.1 Share capital

	Group and Company			
	2023		2022	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid shares with no par value classified as equity instruments:				
At 1 January/ 31 December	582,949,143	142,985,383	582,949,143	142,985,383

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

### 12.2 Treasury shares

The shareholders of the Company, by an ordinary resolution passed in the annual general meeting held on 22 May 2023, renewed their approval for the Company's plan to repurchase its own shares.

During the financial year, the Company repurchased 349,900 (2022: 1,093,200) ordinary shares from the open market at an average price of RM0.40 (2022: RM0.55) per share. The total consideration paid for the repurchase including transaction costs was RM143,574 (2022: RM596,634).

Of the total 582,949,143 (2022: 582,949,143) issued and fully paid ordinary shares as at 31 December 2023, 3,949,200 (2022: 3,599,300) are held as treasury shares by the Company. As at 31 December 2023, the number of outstanding ordinary shares in issue and fully paid is therefore 578,999,943 (2022: 579,349,843) ordinary shares.

# Notes to the Financial Statements (Cont'd)

## 12. Share capital and reserves (Cont'd)

### 12.3 Other reserves

	Group and Company	
	2023 RM	2022 RM
Other reserve	11,319,230	11,319,230

Other reserve arising from the excess of the capital reduction over the accumulated losses of the Company in year 2011.

### 12.4 Revaluation reserves

The revaluation reserve represents the surplus on revaluation of freehold land, factory and office buildings of the Group and of the Company, net of deferred tax.

### 12.5 Warrants

On 29 June 2021, the Company issued 174,132,762 free warrants on the basis of three (3) free warrant for every ten (10) existing ordinary shares. The warrants are constituted by a Deed Poll dated 10 June 2021 and were listed on Bursa Malaysia Securities Berhad on 6 July 2021.

The main feature of the warrants are as follows:

- i) each warrant will entitle its registered holder during the exercise year to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM2.30 per share, subject to adjustment in accordance with the provisions of the Deed Poll.
- ii) the warrants are valid for exercise for a year of five (5) years from the issue date, and may be exercised at any time on or after the issue date, until the expiry date on 26 June 2026. Any warrants not exercised by its expiry date shall thereafter lapse and cease to be valid.

There were no warrants exercised during the financial year. As at 31 December 2023, there are 174,132,762 (2022: 174,132,762) warrants which remained unexercised.

### 12.6 Employee Share Options Scheme ("ESS")

At an extraordinary general meeting held on 18 May 2021, the Company's shareholders approved the establishment of an ESS of not more than 15% of the total number of Issued Shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESS for eligible Employees and Directors of the Company (excluding subsidiary companies which are dormant)

The salient features of the ESS scheme are, inter alia, as follows:

- (i) The maximum number of shares grant and ESS option which may be made available under the ESS shall not exceed 15% of the total number of issued shares of the Group (excluding treasury shares, if any) during the duration of the ESS year.

# Notes to the Financial Statements (Cont'd)

## 12. Share capital and reserves (Cont'd)

### 12.6 Employee Share Options Scheme ("ESS") (Cont'd)

The salient features of the ESS scheme are, inter alia, as follows: (Cont'd)

- (ii) Any Directors (including non-executive Directors) or employee of a company in the Group (excluding the subsidiaries which are dormant), who have attained the age of 18 years and hold the designated job grade or rank/position of a non-dormant company within the Group at the Offer Date will be eligible for consideration and selection as a Participant by the ESS Committee.
- (iii) The aggregate maximum number of shares grant and ESS option that may be granted to a selected person will be determined entirely at the discretion of the ESS Committee, provided that certain criteria to be met as stipulated in ESS.
- (iv) The Company has, on 2 July 2021 ("Effective Date"), implemented the ESS. The ESS will be in force for a year of 5 years and may be extended for up to another 5 years immediately from the expiry of the first 5 years, but will not in aggregate exceed 10 years from the Effective Date.
- (v) A participant who is an eligible non-executive director must not sell, transfer or assign the shares obtained through the exercise of ESS within one (1) year from the date of the offer. No other retention year unless stipulated in the offer.
- (vi) The option price shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the preceding the date of offer.
- (vii) The option granted to eligible person will lapse when they are no longer in employment with the Group, in bankruptcy or any circumstances prescribed by the ESS Committee.
- (viii) A Grantee shall not be entitled to any dividends, rights, allotments and/or other distribution declared, made or paid to shareholders on this unexercised Options.

There were no ESS allotted to the eligible Directors and Employees of the Company during the financial year.



# Notes to the Financial Statements (Cont'd)

## 13. Loans and borrowings

	Note	Group 2023 RM	2022 RM
<b>Non-current</b>			
Term loans		7,396,194	10,192,194
Lease liabilities		1,631,970	987,644
		9,028,164	11,179,838
<b>Current</b>			
Term loans		2,796,000	2,796,000
Bill payables		30,497,660	21,704,566
Lease liabilities		43,558	14,878
		33,337,218	24,515,444
<b>Total loans and borrowings</b>			
Term loans	(a)	10,192,194	12,988,194
Bill payables	(b)	30,497,660	21,704,566
Lease liabilities	(c)	1,675,528	1,002,522
		42,365,382	35,695,282

### (a) Term loan

Term loan of a subsidiary of RM10,192,194 (2022: RM12,988,194) bears interest at 4.53% - 4.90% (2022: 3.37% - 4.53%) per annum and is repayable by monthly principal instalments of RM233,000 together with interest accrued over four years commencing from full release of the term loan and is secured as follows:

- (i) Legal charge over the freehold land, factory and office building of a subsidiary as disclosed in Note 3.1 to the financial statements; and
- (ii) Corporate guarantee by the Company.

### (b) Bill payables

The bill payables bear interest at 3.49% to 6.23% (2022: 0.74% to 4.07%) per annum and are secured as follows:

- (i) Legal charge over the freehold land, factory and office building of a subsidiary as disclosed in Note 3.1 to the financial statements;
- (ii) Legal charge over the leasehold land of a subsidiary as disclosed in Note 4 to the financial statements; and
- (iii) Corporate guarantee by the Company.

# Notes to the Financial Statements (Cont'd)

## 13. Loans and borrowings (Cont'd)

### (c) Lease liabilities

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Not later than one year	43,559	14,878
Later than one year and not later than five years	219,965	118,626
Later than five years	1,412,004	869,018
	<b>1,675,528</b>	<b>1,002,522</b>

## 14. Provision for restoration

	<b>Site Restoration RM</b>
<b>Group</b>	
At 1 January 2022/31 December 2022/1 January 2023	-
Provisions made during the year	2,588,487
At 31 December 2023	2,588,487
<b>2023</b>	
Non-current	2,588,487
Current	-
	<b>2,588,487</b>

### Site restoration

Provisions were made during the financial year ended 31 December 2023 in respect of a subsidiary's obligation to reinstate lands to condition prior to tenancy by the end of the lease period.

# Notes to the Financial Statements (Cont'd)

## 15. Trade and other payables

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Current Trade</b>					
Trade payables	(a)	18,570,818	22,102,777	-	-
Supplier factoring facilities	(b)	1,531,160	2,096,619	-	-
		20,101,978	24,199,396	-	-
<b>Non-trade</b>					
Other payables	(c)	8,800,344	5,767,710	56,661	76,088
Accruals		15,508,587	25,328,550	902,766	914,477
		24,308,931	31,096,260	959,427	990,565
		44,410,909	55,295,656	959,427	990,565

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days (2022: 30 days to 90 days) from the date of invoice.
- (b) Supplier factoring facility is an arrangement where the participating suppliers may elect to receive early payment of their invoices from a financial institution. Under this arrangement, the financial institution agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. The principal purpose of this programme is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to the financial institution before their due date. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating and the Group does not incur any additional interest towards the financial institution on the amounts due to the suppliers. The payments to the financial institution are included within operating cash flows because they continue to be part of the normal operating cycle of the Group.
- (c) Other payable are unsecured and non-interest bearing. Included in other payables is an amount due to a Director totalling RM289,768 (2022: RM289,768) which is unsecured, interest-free, repayable upon demand and are expected to be settled by cash.

## 16. Contract liabilities

	Group 2023 RM	2022 RM
Refund liabilities	1,259,132	1,757,816
Consideration received in advance	1,450,783	3,040,021
	2,709,915	4,797,837

# Notes to the Financial Statements (Cont'd)

## 16. Contract liabilities (Cont'd)

Contract liabilities are recognised for the expected refund to customers on the products returned and advance consideration received from customers. The consideration received in advance is expected to be recognised as revenue within a year.

Significant changes in contract balances:

	Group Contract liabilities (Increase)/Decrease	
	2023 RM	2022 RM
Revenue recognised that was included in contract liabilities at the beginning of the year	3,040,021	4,882,080
Increase due to consideration received from customers, but revenue not recognised	(1,450,783)	(3,040,021)

## 17. Revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from contracts with customers</b>				
Sales of latex gloves	325,882,923	606,680,209	-	-
<b>Other revenue</b>				
Management fee	-	-	2,610,192	3,184,625
Dividend income	-	-	-	31,953,600
	325,882,923	606,680,209	2,610,192	35,138,225
<b>Timing of revenue recognition:</b>				
At a point in time	325,882,923	606,680,209	-	-

### Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Obligation to returns or refunds
Sales of latex gloves	Revenue is recognised when control is transferred to the customers based on the delivery/ shipping terms.	Average credit term of 30 to 120 days.	The Group allows returns/refunds in exceptional circumstances only.

There were no variable element in consideration and warranties given to the customers.

# Notes to the Financial Statements (Cont'd)

## 18. Finance income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Interest income of financial assets that are measured at amortised cost:</b>				
Interest income from fixed deposits	4,366,111	1,501,727	389,795	147,275
Interest income from loan to subsidiary	-	-	4,850,962	3,254,000
<b>Interest income of financial assets that are measured at fair value through profit or loss:</b>				
Distribution from other investments	2,724,406	1,584,141	860,399	776,195
	7,090,517	3,085,868	6,101,156	4,177,470

## 19. Finance costs

	Group	
	2023 RM	2022 RM
<b>Interest expense of financial liabilities that are not at fair value through profit or loss</b>		
- bank overdrafts	-	49
- bill payables	1,543,591	1,292,281
- lease liability	35,947	33,621
- term loans	551,395	545,871
	2,130,933	1,871,822

# Notes to the Financial Statements (Cont'd)

## 20. (Loss)/Profit before tax

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>(Loss)/Profit before tax is arrived at after charging/ (crediting):</b>					
<b>Auditors' remuneration</b>					
Audit fees					
- KPMG PLT		243,000	243,000	115,000	115,000
Non-audit fees					
- KPMG PLT		15,000	15,000	15,000	15,000
- Local affiliate of KPMG PLT		137,200	85,000	84,700	23,000
<b>Material expenses/(income)</b>					
Depreciation of right-of-use assets	4	407,213	401,457	-	-
Loss/(Gain) on foreign exchange:					
- realised		17,828	(1,397,635)	-	-
- unrealised		(6,272,116)	(5,048,986)	-	-
Net fair value loss on derivatives		-	377,829	-	-
Net fair value (gain)/loss on other investments		(899,913)	1,052,854	(270,130)	903,584
Property, plant and equipment:					
- net (gain)/loss on disposal		(51,054)	75,244	-	-
- depreciation	3	44,798,370	44,754,253	948,845	905,750
- impairment loss		444,860	-	-	-
- written off		-	321,513	-	321,513
Directors' remuneration	20.1	8,376,793	8,210,907	453,245	423,000
Personnel expenses (excluding key management personnel):					
- salaries, wages, bonuses and allowances		49,271,652	60,219,639	1,601,742	1,880,644
- defined contribution plan		2,697,774	3,058,038	203,692	237,342
Insurance recovery		(603)	(200,000)	-	-
Net (reversal)/recognition of inventories written down		(7,041,546)	10,484,695	-	-

# Notes to the Financial Statements (Cont'd)

## 20. (Loss)/Profit before tax (Cont'd)

Note	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Expenses arising from leases</b>				
Expenses relating to short-term leases	1,126,861	2,004,552	-	-
Expenses relating to low-value assets	48,448	55,104	-	-
<b>Net loss/(reversal) on impairment of financial instruments:</b>				
Financial assets at amortised cost				
Trade receivables	5,568,661	(2,800,968)	-	-

### 20.1 Directors' remuneration

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Executive directors:</b>				
Salaries and other emoluments	6,578,529	6,511,055	-	-
Defined contribution plan	1,245,659	1,238,917	-	-
	7,824,188	7,749,972	-	-
<b>Non-executive directors:</b>				
Fees	449,360	387,935	350,000	350,000
Other emoluments	103,245	73,000	103,245	73,000
	552,605	460,935	453,245	423,000
<b>Total directors' remuneration</b>	<b>8,376,793</b>	<b>8,210,907</b>	<b>453,245</b>	<b>423,000</b>
Benefit-in-kind	51,950	79,950	-	-

# Notes to the Financial Statements (Cont'd)

## 21. Taxation

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Current tax expense</b>				
Current year	1,377,132	2,770,026	-	-
(Over)/Under provision in prior year	(482,675)	7,516,993	-	-
	894,457	10,287,019	-	-
<b>Deferred tax</b>				
Current year	(16,154,479)	(16,721,893)	(2,264,019)	(62,723)
Under/(Over) provision in prior year	4,110,388	(11,421,343)	-	-
	(12,044,091)	(28,143,236)	(2,264,019)	(62,723)
	(11,149,634)	(17,856,217)	(2,264,019)	(62,723)

### Reconciliation of tax (credit)/expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before tax	(47,962,507)	(60,159,738)	6,008,799	35,103,650
Income tax calculated using Malaysian tax rate of 24%	(11,511,003)	(14,438,337)	1,442,112	8,424,876
Non-deductible expenses	1,350,890	2,811,371	276,936	1,143,234
Non-taxable income	(517,455)	(243,587)	(31,200)	(7,700,064)
Utilisation of previously unrecognised tax losses and capital allowance	(1,687,848)	(1,868,046)	(1,687,848)	(1,868,046)
Crystallisation of deferred tax liability on revaluation of property	(213,268)	(213,268)	(62,723)	(62,723)
Tax benefit arising from previously unrecognised deferred tax assets	(2,201,296)	-	(2,201,296)	-
Effect of deferred tax recognised	2,633	-	-	-
Under/(Over) provision in prior year	3,627,713	(3,904,350)	-	-
	(11,149,634)	(17,856,217)	(2,264,019)	(62,723)



# Notes to the Financial Statements (Cont'd)

## 21. Taxation (Cont'd)

In February 2024, two subsidiaries of the Company have received an additional income tax assessment for prior years from the Inland Revenue Board ("IRB") imposing an additional net income tax of RM13.6 million and related penalty of RM85.7 million. The additional assessment was arising from the IRB's decision to adjust the subsidiaries tax basis period for the years of assessment 2021 and 2022.

All necessary approvals on the determination of tax basis period have already been obtained from IRB previously. The Group has obtained a legal advice and based on the legal advice, both the subsidiaries do not admit to any liability on the additional income tax assessment imposed by IRB and have filed a judicial review against the Director General Inland Revenue in High Court and appeal to Special Commissioners of Income Tax.

In view of court process is still ongoing and as allowed under paragraph 92 of MFRS 137, Provisions, Contingent Liabilities and Contingent Assets, the Group is not in a position to disclose any further information on grounds that it can be prejudicial to the outcome of the court process.

## 22. Total comprehensive (expense)/income for the year

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Revaluation of lands and buildings					
Before tax		19,302,893	-	424,604	-
Tax expense	7	(4,687,307)	-	(180,305)	-
Net of tax		14,615,586	-	244,299	-

# Notes to the Financial Statements (Cont'd)

## 23. Loss per ordinary share

### Basic earnings per ordinary share

The calculation of basic loss per ordinary share at 31 December 2023 and 31 December 2022 were based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2023 RM	2022 RM
Loss for the year attributable to owners of the Company	(36,812,873)	(42,303,521)
<b>Weighted average number of ordinary shares outstanding</b>		
Issued ordinary shares at the beginning of the year	579,349,843	580,443,043
Effect of treasury shares held	(294,985)	(500,917)
Weighted average number of ordinary shares (basic)	579,054,858	579,942,126
Basic loss per ordinary share (sen)	(6.36)	(7.29)

### Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as the exercise price of warrants is higher than the average market price of the ordinary shares during the financial year.

## 24. Operating segments

### General information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the business segments of the Group. The Group's operating segments are as follows:

<u>Segments</u>	<u>Products and services</u>
Manufacturing	Manufacturing and trading of latex gloves.
Investment holding	Investment holding and provision of management services.
Trading	Trading of latex gloves.
Others	Dormant subsidiaries.

### Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

# Notes to the Financial Statements (Cont'd)

## 24. Operating segments (Cont'd)

### Measurement of reportable segments (Cont'd)

#### Segment profit

Segment performance is used to measure performance as Group's chief operating decision maker believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss in the consolidated financial statements.

#### Segment assets

The total of segment asset is measured based on all assets of a segment.

#### Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment.

### Geographical information

Revenue and non-current assets information on the basis of geographical segments information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include financial instruments and deferred tax assets.

## 24. Operating segments (Cont'd)

## Notes to the Financial Statements (Cont'd)

	Manufacturing RM	Investment holding RM	Trading RM	Others RM	Inter-segment eliminations RM	Notes	Total RM
<b>2023</b>							
<b>Revenue</b>							
Revenue from external customers	214,203,353	-	111,679,570	-	-		325,882,923
Inter-segment revenue	105,328,404	2,610,192	-	-	(107,938,596)	A	-
Total revenue	319,531,757	2,610,192	111,679,570	-	(107,938,596)		325,882,923
<b>Results</b>							
Interest income	2,578,068	6,101,156	3,262,174	81	(4,850,962)		7,090,517
Interest expense	(6,981,895)	-	-	-	4,850,962		(2,130,933)
Property, plant and equipment:							
- depreciation	(43,842,573)	(948,845)	(6,952)	-	-		(44,798,370)
- impairment loss	(444,860)	-	-	-	-		(444,860)
Depreciation of right-of-use assets	(407,213)	-	-	-	-		(407,213)
Net loss on impairment of financial instruments	(5,568,661)	-	-	-	-		(5,568,661)
Net (reversal) of inventory written down	7,041,546	-	-	-	-		7,041,546
Net fair value gain on other investments	629,783	270,130	-	-	-		899,913
Unrealised foreign exchange gain	545,581	-	5,714,108	12,427	-		6,272,116
Segment (loss)/profit before tax	(30,044,150)	6,008,799	11,341,009	(268,165)	(35,000,000)	B	(47,962,507)
Deferred tax credit/(expense)	11,482,705	2,264,019	(1,702,633)	-	-		12,044,091
Income tax credit/(expense)	200,000	-	(1,094,439)	(18)	-		(894,457)
(Loss)/Profit for the financial year	(18,361,445)	8,272,818	8,543,937	(268,183)	(35,000,000)	B	(36,812,873)
<b>Assets</b>							
Additions to non-current assets	14,689,214	36,000	-	-	-		14,725,214
Segment assets	772,141,939	370,788,234	85,580,467	21,625,491	(286,065,053)	C	964,071,078
<b>Liabilities</b>							
Segment liabilities	178,180,616	959,427	2,683,730	7,291,280	(94,749,438)	D	94,365,615

# Notes to the Financial Statements (Cont'd)

## 24. Operating segments (Cont'd)

	Manufacturing RM	Investment holding RM	Trading RM	Others RM	Inter-segment eliminations RM	Notes	Total RM
<b>2022</b>							
<b>Revenue</b>							
Revenue from external customers	322,225,476	-	284,454,733	-	-		606,680,209
Inter-segment revenue	265,202,750	35,138,225	-	-	(300,340,975)	A	-
Total revenue	587,428,226	35,138,225	284,454,733	-	(300,340,975)		606,680,209
<b>Results</b>							
Interest income	1,215,276	4,177,554	947,038	-	(3,254,000)		3,085,868
Interest expense	(5,125,822)	-	-	-	3,254,000		(1,871,822)
Property, plant and equipment: - depreciation	(43,841,551)	(905,750)	(6,952)	-	-		(44,754,253)
- written off	-	(321,513)	-	-	-		(321,513)
Depreciation of right-of-use assets	(401,457)	-	-	-	-		(401,457)
Net reversal/(loss) on impairment of financial instruments	2,942,258	-	(141,290)	-	-		2,800,968
Net inventory written down	(10,484,695)	-	-	-	-		(10,484,695)
Net fair value loss on other investments	(149,270)	(903,584)	-	-	-		(1,052,854)
Net fair value loss on derivatives	(284,679)	-	(93,150)	-	-		(377,829)
Unrealised foreign exchange gain	3,828,569	-	1,188,395	32,022	-		5,048,986
Segment (loss)/profit before tax	(73,713,527)	35,084,759	10,603,614	(180,984)	(31,953,600)	B	(60,159,738)
Deferred tax credit	28,080,513	62,723	-	-	-		28,143,236
Income tax expense	(8,730,646)	(26)	(1,556,347)	-	-		(10,287,019)
(Loss)/Profit for the financial year	(54,363,660)	35,147,456	9,047,267	(180,984)	(31,953,600)	B	(42,303,521)
<b>Assets</b>							
Additions to non-current assets	48,205,911	642,800	-	1,339,860	-		50,188,571
Segment assets	778,407,179	377,986,058	122,824,538	7,052,612	(295,685,763)	C	990,584,624
<b>Liabilities</b>							
Segment liabilities	180,355,424	2,658,059	13,471,738	6,423,227	(104,370,088)	D	98,538,360

# Notes to the Financial Statements (Cont'd)

## 24. Operating segments (Cont'd)

**Notes** Nature of eliminations to arrive at amounts reported to the consolidated financial statements

- A Inter-segment revenues are eliminated on consolidation;
- B Inter-segment expenses and other operating income are eliminated on consolidation;
- C Inter-segment assets are eliminated on consolidation; and
- D Inter-segment liabilities are eliminated on consolidation.

### Geographical information

	Revenue RM	Non-current assets RM
<b>2023</b>		
Malaysia	28,173,977	476,680,471
United States of America and Canada	193,508,307	-
Asia (excluding Malaysia)	57,146,707	-
Europe	33,129,725	-
Others	13,924,207	-
	325,882,923	476,680,471
<b>2022</b>		
Malaysia	50,411,687	481,440,932
United States of America and Canada	421,190,806	-
Asia (excluding Malaysia)	60,390,947	-
Europe	51,069,724	-
Others	23,617,045	-
	606,680,209	481,440,932

### Major customers

Major customers' information are revenues from transactions with a single external customer amounting to 10% or more of the Group's revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer.

The following is a major customer with revenue equal or more than 10% of the Group's total revenue:

	Revenue 2023 RM	Revenue 2022 RM	Segment
Customer A	68,701,850	54,773,669	Manufacturing
Customer A	57,021,772	157,951,217	Trading
	125,723,622	212,724,886	

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments

### 25.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as:

- (i) Amortised cost ("AC")
- (ii) Fair value through profit or loss ("FVTPL").

Group	Carrying amount RM	AC RM	FVTPL RM
<b>2023</b>			
<b>Financial assets</b>			
Trade and other receivables	57,510,346	57,510,346	-
Other investments	115,546,837	-	115,546,837
Cash and cash equivalents	141,182,301	141,182,301	-
	314,239,484	198,692,647	115,546,837
<b>Financial liabilities</b>			
Loan and borrowings	(40,689,854)	(40,689,854)	-
Trade and other payables	(44,410,909)	(44,410,909)	-
	(85,100,763)	(85,100,763)	-
<b>2022</b>			
<b>Financial assets</b>			
Trade and other receivables	69,855,776	69,855,776	-
Other investments	112,672,517	-	112,672,517
Cash and cash equivalents	134,562,697	134,562,697	-
	317,090,990	204,418,473	112,672,517
<b>Financial liabilities</b>			
Loan and borrowings	(34,692,760)	(34,692,760)	-
Trade and other payables	(55,295,656)	(55,295,656)	-
	(89,988,416)	(89,988,416)	-

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.1 Categories of financial instruments (Cont'd)

Company	Carrying amount RM	AC RM	FVTPL RM
<b>2023</b>			
<b>Financial assets</b>			
Other receivables	93,430,463	93,430,463	-
Other investments	36,211,317	-	36,211,317
Cash and cash equivalents	19,339,750	19,339,750	-
	148,981,530	112,770,213	36,211,317
<b>Financial liabilities</b>			
Other payables	(959,427)	(959,427)	-
<b>2022</b>			
<b>Financial assets</b>			
Other receivables	91,825,573	91,825,573	-
Other investments	35,830,788	-	35,830,788
Cash and cash equivalents	14,611,567	14,611,567	-
	142,267,928	106,437,140	35,830,788
<b>Financial liabilities</b>			
Other payables	(990,565)	(990,565)	-

### 25.2 Net gains or losses arising from financial instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Net gains/(losses) on:</b>				
Financial assets at amortised cost	4,857,118	10,667,711	5,240,757	3,401,275
Financial assets at fair value through profit or loss	3,354,190	153,458	860,399	(127,389)
	8,211,308	10,821,169	6,101,156	3,273,886
<b>Financial liabilities at amortised cost</b>				
	(1,893,165)	(1,455,831)	-	-
	(1,893,165)	(1,455,831)	-	-



# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.3 Financial risks management

The Group and the Company have exposure to the following risks from their financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

### 25.4 Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group are exposed to credit risk from its trade and other receivables and deposits with banks. The Company's exposure to credit risk arises principally from advances to subsidiaries, deposits with banks and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no changes as compared to prior periods.

#### Trade receivables

*Risk management objectives, policies and processes for managing the risk*

The carrying amount of trade receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. Any credit exceeding those limits require approval from the management. The Group have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults before the Group's standard payment and delivery terms and conditions are offered.

Trade receivables are monitored on an ongoing basis to mitigate risk of bad debts. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

At each reporting date, the Group assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Trade receivables (Cont'd)

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

*Concentration of credit risk*

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

By country:	2023		Group		2022	
	RM	%	RM	%	RM	%
Malaysia	31,179,761	57%	30,926,644	45%	30,926,644	45%
United States of America and Canada	17,291,702	31%	26,250,874	38%	26,250,874	38%
Asia (excluding Malaysia)	4,602,053	8%	4,969,349	7%	4,969,349	7%
Europe	1,233,089	2%	5,633,268	8%	5,633,268	8%
Others	1,280,217	2%	944,007	2%	944,007	2%
	55,586,822	100%	68,724,142	100%	68,724,142	100%

*Recognition and measurement of impairment loss*

In managing credit risk of trade receivables, the Group manage its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group applies the simplified approach to provide for expected credit losses ("ECLs") prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The Group does not hold collateral as security.

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Trade receivables (Cont'd)

##### Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
<b>2023</b>			
Current (not past due)	37,502,736	-	37,502,736
1 – 30 days past due	12,727,332	-	12,727,332
31 – 60 days past due	3,578,717	-	3,578,717
61 – 90 days past due	109,784	-	109,784
More than 90 days past due	1,668,253	-	1,668,253
	55,586,822	-	55,586,822
<b>Credit Impaired</b>			
Individually impaired	5,846,909	(5,846,909)	-
	61,433,731	(5,846,909)	55,586,822
<b>2022</b>			
Current (not past due)	48,173,142	-	48,173,142
1 – 30 days past due	12,216,013	-	12,216,013
31 – 60 days past due	5,264,030	-	5,264,030
61 – 90 days past due	2,380,069	-	2,380,069
More than 90 days past due	690,888	-	690,888
	68,724,142	-	68,724,142
<b>Credit Impaired</b>			
Individually impaired	419,538	(419,538)	-
	69,143,680	(419,538)	68,724,142

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Trade receivables (Cont'd)

##### *Recognition and measurement of impairment loss (Cont'd)*

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

<b>Group</b>	<b>Trade receivables Credit Impaired RM</b>
<b>Balance at 1 January 2022</b>	3,220,506
Net remeasurement of loss allowance	(2,800,968)
<b>Balance at 31 December 2022/1 January 2023</b>	419,538
Net remeasurement of loss allowance	5,568,661
Amounts written off	(141,290)
<b>Balance at 31 December 2023</b>	5,846,909

For financial year ended 31 December 2023, the Group is not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics except for 39% of the Group's trade receivables were due from Customer A.

#### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

#### Other receivables

Credit risks on other receivables are mainly arising from deposits paid. These deposits will be received at the end of each lease terms. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Financial guarantees

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary. The Company monitors the ability of the subsidiary to service their loans on an individual basis.

*Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounts to RM29,748,144 (2022: RM32,836,976) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiary's secured loans.

*Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, the Company did not recognise any provision in respect of financial guarantee.

#### Inter-company loans and advances

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Inter-company loans and advances (Cont'd)

##### *Recognition and measurement of impairment loss*

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 90 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

In current year, the Company did not recognise any allowance for impairment losses on amount due from subsidiaries.

### 25.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group and the Company also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.5 Liquidity risk (Cont'd)

#### Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest rate per annum %	Contractual cash flows	Less than 1 year RM	2 - 5 years RM	More than 5 years RM
<b>2023</b>						
<i>Non-derivative financial liabilities</i>						
Loan and borrowings						
- Term loan	10,192,194	4.53 - 4.90	11,081,556	3,213,758	7,867,798	-
- Bill payables	30,497,660	3.49 - 6.23	30,875,202	30,875,202	-	-
- Lease liabilities	1,675,528	3.47 - 6.19	2,477,612	117,600	493,440	1,866,572
Trade and other payables	44,410,909	-	44,410,909	44,410,909	-	-
	86,776,291		88,845,279	78,617,469	8,361,238	1,866,572
<b>2022</b>						
<i>Non-derivative financial liabilities</i>						
Loan and borrowings						
- Term loan	12,988,194	3.37 - 4.53	14,423,427	3,341,871	11,081,556	-
- Bill payables	21,704,566	0.74 - 4.07	21,886,770	21,886,770	-	-
- Lease liability	1,002,522	3.47	1,335,612	48,000	241,920	1,045,692
Trade and other payables	55,295,656	-	55,295,656	55,295,656	-	-
	90,990,938		92,941,465	80,572,297	11,323,476	1,045,692

## 25. Financial instruments (Cont'd)

## 25.5 Liquidity risk (Cont'd)

## Maturity analysis (Cont'd)

Company	Carrying amount RM	Discount rate	Contractual cash flows	Less than 1 year RM	2 - 5 years RM	More than 5 years RM
<b>2023</b>						
Non-derivative financial liabilities						
Other payables	959,427	-	959,427	959,427	-	-
Financial guarantee contracts #	-	-	29,748,144	29,748,144	-	-
	959,427		30,707,571	30,707,571	-	-
<b>2022</b>						
Non-derivative financial liabilities						
Other payables	990,565	-	990,565	990,565	-	-
Financial guarantee contracts #	-	-	32,836,976	32,836,976	-	-
	990,565		33,827,541	33,827,541	-	-

# The Company has given corporate guarantee to financial institutions on credit facilities granted to a subsidiary. The potential exposure of the financial guarantee contract is equivalent to the outstanding amount of the banking facilities of the said subsidiary.



# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's and the Company's financial position or cash flows. The Group's and the Company's exposure to other price risk is insignificant.

#### 25.6.1 Currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency).

*Risk management objectives, policies and processes for managing the risk*

The Group's and the Company's practice is to hedge all material foreign currency exposures arising from its transactions and balances using derivative instruments that have maturity years that match the corresponding maturity years of the hedged items. In addition, the Group and the Company also take advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

*Exposure to foreign currency risk*

The Group's principal foreign currency exposures relates mainly to United States Dollar ("USD").

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group's entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

Group	Denominated in USD	
	2023 RM	2022 RM
Trade receivables	55,546,847	65,270,652
Cash and cash equivalents	91,611,499	86,158,919
Trade and other payables	(6,003,098)	(8,319,301)
	141,155,248	143,110,270

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.6 Market risk (Cont'd)

#### 25.6.1 Currency risk (Cont'd)

##### *Currency risk sensitivity analysis*

A 1% (2022: 1%) strengthening of Ringgit Malaysia against the following currency at the end of the reporting period would have increased/(decreased) post-tax profit or loss and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variables, in particular profit rates, remain constant.

Group	Profit or loss/Equity	
	2023 RM	2022 RM
USD	(1,072,780)	(1,087,638)

A 1% (2022: 1%) weakening of Ringgit Malaysia against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

#### 25.6.2 Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

The Group is presently enjoying competitive interest rates which are reviewed and negotiated on a yearly basis.

##### *Exposure to interest rate risk*

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year was:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Fixed rate instruments</b>				
Financial assets	51,400,705	5,154,144	78,350,000	81,350,000
Financial liabilities	(1,675,528)	(1,002,522)	-	-
	49,725,177	4,151,622	78,350,000	81,350,000
<b>Floating rate instruments</b>				
Financial liabilities	(40,689,854)	(34,692,760)	-	-
	(40,689,854)	(34,692,760)	-	-

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.6 Market risk (Cont'd)

#### 25.6.2 Interest rate risk (Cont'd)

*Interest rate risk sensitivity analysis*

*Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting year would have increased/(decreased) post-tax profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant.

Group	Profit or loss/Equity	
	100 bp Increase RM	100 bp Decrease RM
<b>2023</b>		
Financial liabilities	(309,243)	309,243
	(309,243)	309,243
<b>2022</b>		
Financial liabilities	(263,665)	263,665
	(263,665)	263,665

#### 25.7 Fair value information

The carrying amounts of cash and cash equivalents, liquid investments, short-term receivables and payables and variable loans and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of the floating rate borrowings approximate fair values as they are subject to variable interest rates which in turn approximate the current market interest rates for similar loans at the end of the reporting year.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

## 25. Financial instruments (Cont'd)

## 25.7 Fair value information (Cont'd)

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2023</b>								
<b>Financial assets</b>								
Other investments								
- unit trusts	-	105,546,837	-	-	-	-	105,546,837	105,546,837
- trust fund	-	-	10,000,000	-	-	-	10,000,000	10,000,000
<b>2022</b>								
<b>Financial assets</b>								
Other investments								
- unit trusts	-	102,672,517	-	-	-	-	102,672,517	102,672,517
- trust fund	-	-	10,000,000	-	-	-	10,000,000	10,000,000

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.7 Fair value information (Cont'd)

Company	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM		
<b>2023</b>								
<b>Financial assets</b>								
Other investments								
- unit trusts	-	26,211,317	-	26,211,317	-	-	-	26,211,317
- trust fund	-	-	10,000,000	10,000,000	-	-	-	10,000,000
Amount due from a subsidiary	-	-	-	-	-	78,359,042	78,359,042	78,359,042
<b>2022</b>								
<b>Financial assets</b>								
Other investments								
- unit trusts	-	25,830,788	-	25,830,788	-	-	-	25,830,788
- trust fund	-	-	10,000,000	10,000,000	-	-	-	10,000,000
Amount due from a subsidiary	-	-	-	-	-	80,155,122	80,155,122	81,350,000

# Notes to the Financial Statements (Cont'd)

## 25. Financial instruments (Cont'd)

### 25.7 Fair value information (Cont'd)

#### Level 2 fair value

*Other investments – unit trusts*

The fair value of unit trusts are based on the net asset value obtained from licensed financial institutions.

#### Level 3 fair value

*Other investments – trust fund*

The fair value of trust fund is approximate the trust capital as the investments made are safeguarded with assets of equal value.

#### Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (31 December 2022: no transfer in either directions).

#### Level 3 fair value

*Financial instrument not carried at fair value*

Type	Description of valuation technique and input used
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Amount due from a subsidiary	Discounted cash flow using a rate based on current market rate of deposits of the Group at reporting date.
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## 26. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure by monitoring the capital and net debt on an ongoing basis.

# Notes to the Financial Statements (Cont'd)

## 26. Capital management (Cont'd)

No changes were made in the objectives, policies and processes during the financial year ended 31 December 2023 and 31 December 2022.

	Note	Group 2023 RM	2022 RM
Loans and borrowings	13	42,365,382	35,695,282
Trade and other payables	15	44,410,909	55,295,656
Total debts		86,776,291	90,990,938
Less: Cash and cash equivalents	11	(141,182,301)	(134,562,697)
Net debt		(54,406,010)	(43,571,759)
Total equity attributable to the owners of the Company		869,705,403	892,046,264
Capital and net debts		815,299,393	848,474,505
Gearing ratio		-	-

## 27. Commitments

### Capital commitments

The Group has made commitments for the following capital expenditures:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Property, plant and equipment</b>				
Contracted but not provided for	3,587,730	3,488,139	-	-

# Notes to the Financial Statements (Cont'd)

## 28. Related parties

### Significant related party transactions

The key management personnel include all the Directors of the Company and key management personnel compensation is shown below.

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Notes 8 and Note 15.

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Subsidiaries</b>				
<b><i>Comfort Rubber Gloves Industries Sdn. Bhd.</i></b>				
Management fees	-	-	2,341,234	2,697,678
Rental income	-	-	960,000	960,000
Interest income	-	-	4,850,962	3,254,000
<b><i>Gallant Quality Sdn. Bhd.</i></b>				
Management fees	-	-	268,958	486,947
Rental income	-	-	600,000	600,000
<b>Key management personnel (Note 20.1)</b>				
Directors' remuneration	8,376,793	8,210,907	453,245	423,000
Short term employee benefits	51,950	79,950	-	-
	8,428,743	8,290,587	453,245	423,000
<b>With certain Directors and person connected to Directors</b>				
Acquisition of Goldhill Melody Sdn Bhd (Note 29)	-	-	-	25,780,000



# Notes to the Financial Statements (Cont'd)

## 29. Acquisition of subsidiary

On 10 June 2022, the Company acquired ordinary shares in Goldhill Melody Sdn. Bhd. ("Goldhill Melody") for a total cash consideration of RM25,780,000 representing 100% of the total issued and paid-up share capital of Goldhill Melody. Consequently, Goldhill Melody became a wholly-owned subsidiary of the Company as disclosed in Note 6 to the financial statements. Goldhill Melody is involved in investment holding.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	<b>Group 31.12.2022 RM</b>
<b>Fair value of consideration transferred</b>	
Cash and cash equivalents	25,780,000
<b>Identifiable assets acquired and liabilities assumed</b>	
Investment properties	26,421,848
Tax recoverable	419
Cash and cash equivalents	149,353
Other payables and accruals	(5,406)
Amount due to a Director	(289,768)
Deferred tax liabilities	(496,446)
	25,780,000
<b>Net cash outflow arising from acquisition of subsidiary</b>	
Purchase consideration settled in cash and cash equivalents	25,780,000
Cash and cash equivalents acquired	(149,353)
	25,630,647

## 30. Comparative information

The following comparative figures have been reclassified to conform with current year presentation:

	<b>As restated RM</b>	<b>As previously stated RM</b>
<b>Group</b>		
Cost of sales	635,046,263	624,561,568
Administrative expenses	31,111,873	41,596,568



## Statement by Directors pursuant to

Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 78 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the year then ended.

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

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**Lau Joo Yong**

Director

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**Lau Joo Pern**

Director

Kuala Lumpur

Date: 16 April 2024

# Statutory declaration pursuant to

Section 251(1)(b) of the Companies Act 2016

I, Leong Wai Leong, the officer primarily responsible for the financial management of Comfort Gloves Berhad, do solemnly and sincerely declare that the financial statements set out on pages 78 to 143 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Leong Wai Leong, NRIC: 731201-08-5215 (MIA CA: 21611) at Taiping in the State of Perak Darul Ridzuan on 16 April 2024.

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**Leong Wai Leong**

Before me:

Commissioner for Oath  
**Daniel Lim Han Keat**  
**A288**



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMFORT GLOVES BERHAD

(Registration No. 193701000006 (852-D))

(Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Comfort Gloves Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 31 December 2023, and notes to the financial statements, including material accounting policy information, as set out on pages 78 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year ended 31 December 2023 in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

### Impairment assessment of property, plant and equipment

Refer to Note 1 (d)(iii) – Use of estimates and judgements, Note 3.5 – Impairment of property, plant and equipment and Note 3.7 – Material accounting policy information.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMFORT GLOVES BERHAD

(Cont'd)

## Key Audit Matters (Cont'd)

### The key audit matter

As at 31 December 2023, the carrying amount of the property, plant and equipment of the Group was RM418,044,234, which represented 43% of the Group's total assets.

MFRS 136 *Impairment of Assets*, requires an entity to assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, management shall estimate the recoverable amount of the asset.

There were indications that the carrying amounts of the Group's property, plant and equipment may be impaired due to lower utilisation rate of gloves production.

### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Made inquiries of management regarding the indicators they have assessed as possible indicators of impairment for relevant cash-generating unit and inspected management's assessment;
- Evaluated the key assumptions such as projected revenue, growth rates and profit margins used by management by considering the past trends and expected future market demand;
- Engaged KPMG corporate finance specialist to evaluate the discount rate used to determine the present value of the cash flow; and
- Evaluated the adequacy of the Group's disclosures in the financial statements concerning those key assumptions to which the outcome of the impairment assessment is most sensitive.

### Valuation of inventories

Refer to Note 1 (d)(ii) – Use of estimates and judgements and Note 10 – Inventories.

### The key audit matter

As at 31 December 2023, the carrying amount of inventories held by the Group was RM85,294,681, of which RM18,039,288 was finished goods and RM58,152,281 was work in progress.

Inventories were measured at the lower of cost and net realisable value. The valuation of finished goods and work in progress involves multiple inputs and the Group's judgement was required to estimate the cost of finished goods and work in progress which comprise the cost of raw materials, direct labour and the appropriate allocation of overheads based on normal production capacity.

The Group writes down the inventories based on the assessment of their estimated net realisable value. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The assessment requires judgement in determining the level of inventories written down.



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMFORT GLOVES BERHAD

(Cont'd)

## Key Audit Matters (Cont'd)

### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Obtained an understanding of the inventories valuation policy, production processes and types of costs included in the valuation of finished goods and work in progress;
- Tested on sampling basis the cost of raw materials, direct labour and overhead costs to suppliers' invoices and other relevant supporting documents;
- Assessed the basis used by the Group for the allocation of production costs and overheads for the purpose of inventory valuation based on normal production capacity; and
- Evaluated the Group's assessment of the net realisable value of finished goods and work in progress and compared the carrying amount on sampling basis against the selling price subsequent to period end.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

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

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



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMFORT GLOVES BERHAD

(Cont'd)

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMFORT GLOVES BERHAD

(Cont'd)

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

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

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

## Other Matter

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

### **KPMG PLT**

(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya, Selangor

Date: 16 April 2024

### **Ooi Eng Siong**

Approval Number: 03240/02/2026 J  
Chartered Accountant



# List of Properties

List of Properties Held At 31 December 2023

Location	Tenure	Area (Hectares)	Year Lease Expiry	Description/ Existing Use	Net Book/ Revalued Value (RM)	Age of Building (Years)	Year of Acquisition
<b>PERAK DARUL RIDZUAN</b>							
G.M. 530, Lot No. 821 Mukim Jebong District Larut & Matang Perak	Freehold	2.26	-	Single storey factory building with an adjacent double-storey office/factory building currently used for production of powdered natural rubber gloves	16,570,000	28	1993
GM 1723, Lot No. 6858 Jebong District Larut & Matang Perak	Freehold	2.46	-	Three storey factory building and warehouse use	22,382,684	11	1999
				Single storey factory building occupied for offline chlorination processes	1,147,316		
G.M. 1461, Lot No. 1874 Simpang Mukim Asam Kumbang Larut & Matang, Perak	Freehold	2.43	-	Double storey detached office block with an annexed single storey factory building currently used for production of gloves	17,011,825	23	2010
GM 1725, Lot No. 6860, Jebong District Larut & Matang Perak	Freehold	3.4	-	Single storey factory building with an adjacent double-storey office/factory building currently used for production of gloves	27,131,345	4	2015
				Building occupied for chemical store	50,876		

## List of Properties (Cont'd)

List of Properties Held At 31 December 2023

Location	Tenure	Area (Hectares)	Year Lease Expiry	Description/ Existing Use	Net Book/ Revalued Value (RM)	Age of Building (Years)	Year of Acquisition
<b>PERAK DARUL RIDZUAN (CONT'D)</b>							
GM 1726, Lot No. 6861, Jebong District Larut & Matang Perak	Freehold	0.55	-	Industrial land	1,197,778	-	2015
PN00271977, Lot No. 312712, Mukim Sungai Terap Kinta, Perak.	Leasehold for 54 years	15.75	2058	Industrial land	13,750,000	-	2018
Geran 80472, Lot No. 1244, Mukim Sungai Limau, Daerah Larut & Matang, Perak.	Freehold	1.582	-	Hostel Building	4,695,300	3	2020
Geran 80519, Lot No. 1291, Mukim Sungai Limau, Daerah Larut & Matang, Perak.	Freehold	1.875	-	Former Warehouse and hostel building	3,966,257	3	2020
GM 200, Lot No. 722, Jebong District Larut & Matang, Perak	Freehold	2.5068	-	Agricultural Land	4,330,000	-	2021
GM 1475, Lot No. 1852, Mukim Asam Kumbang, Larut & Matang, Perak	Freehold	1.3076	-	Single storey factory building with an adjacent single storey gloves warehouse	8,961,174	2	2021

## List of Properties (Cont'd)

List of Properties Held At 31 December 2023

Location	Tenure	Area (Hectares)	Year Lease Expiry	Description/ Existing Use	Net Book/ Revalued Value (RM)	Age of Building (Years)	Year of Acquisition
<b>JOHOR DARUL TAKZIM</b>							
GM 4479, Lot No. 4148, Jalan Ismail, Muar, Johor	Freehold	0.8549	-	Investment properties	3,677,636	-	2022
GM 2076, Lot No. 10722, Jalan Salleh, Muar, Johor	Freehold	1.435	-	Investment properties	6,173,128	-	2022
GM 4475, Lot No. 4139, Jalan Bakariah, Muar, Johor	Freehold	0.9156	-	Investment properties	3,938,757	-	2022
GM 4477, Lot No. 4143, Jalan Bakariah, Muar, Johor	Freehold	2.0892	-	Investment properties	8,987,386	-	2022
GM 4478, Lot No. 4144, No. 239A, 239B, Jalan Ismail, Muar, Johor	Freehold	0.8473	-	Investment properties	3,644,942	-	2022
<b>TOTAL</b>					<b>147,616,403</b>		

# Statistics on Shareholdings

as at 1 April 2024

Issued and Fully Paid-Up Capital : 578,999,943  
 Ordinary Shares : (Excluding 3,949,200 Treasury Shares)  
 Class of Shares : Ordinary Shares  
 Voting Rights : One vote per ordinary share

SIZE OF HOLDINGS	NO. OF HOLDERS		TOTAL NO. OF HOLDERS		NO. OF SHARES		TOTAL NO. OF ISSUED SHARES	
	MALAYSIAN	FOREIGN	NO.	%	MALAYSIAN	FOREIGN	NO.	%
1 TO 99	365	23	388	1.65	10,503	798	11,301	0.00
100 TO 1,000	6,245	137	6,382	27.22	4,040,469	66,541	4,107,010	0.71
1,001 TO 10,000	11,873	112	11,985	51.12	53,326,645	499,851	53,826,496	9.30
10,001 TO 100,000	4,163	50	4,213	17.97	123,460,816	1,973,365	125,434,181	21.66
100,001 TO 28,949,997 ( * )	454	23	477	2.03	289,338,983	16,981,972	306,320,955	52.91
28,949,998 AND ABOVE ( ** )	1	0	1	0.00	89,300,000	0	89,300,000	15.42
<b>TOTAL</b>	<b>23,101</b>	<b>345</b>	<b>23,446</b>	<b>100.00</b>	<b>559,477,416</b>	<b>19,522,527</b>	<b>578,999,943</b>	<b>100.00</b>

## REMARK

\* LESS THAN 5% OF ISSUED SHARES

\*\* 5% AND ABOVE OF ISSUED SHARES

# Statistics on Shareholdings (Cont'd)

as at 1 April 2024

## Directors' Shareholdings

No.	Name of Directors	Direct		Indirect		Total Interest (A+B)	
		Interest (A)	%	Interest (B)	%		%
1	Tan Sri Dato' Lau Eng Guang	13,507,000	2.333	*128,200,050	22.142	141,707,050	24.474
2	Lau Joo Yong	-	-	-	-	-	-
3	Lau Joo Pern	-	-	-	-	-	-
4	Khoo Chie Yuan	-	-	-	-	-	-
5	Datuk Amnah Binti Ibrahim	350,000	0.060	-	-	350,000	0.060
6	Chu Nyet Kim	-	-	-	-	-	-

Note:

\* Deemed interested by virtue of his shareholding in Keen Setup Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 as well as the shareholding of his spouse and children in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

## Substantial Shareholdings

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:-

No.	Name of Substantial Shareholders	Direct		Indirect		Total Interest (A+B)	
		Interest (A)	%	Interest (B)	%		%
1	Keen Setup Sdn Bhd	104,300,000	18.014	-	-	104,300,000	18.014
2	Tan Sri Dato' Lau Eng Guang	13,507,000	2.333	*#128,200,050	22.142	141,707,050	24.474
3	Puan Sri Goh Kim Kooi	175,000	0.030	#104,300,000	18.014	104,475,000	18.044

Note:

\* Deemed interested by virtue of his shareholding in Keen Setup Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 as well as the shareholding of his spouse and children in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

# Deemed interested by virtue of his/her shareholding in Keen Setup Sdn. Bhd. pursuant to the Section 8 of the Companies Act 2016

# Statistics on Shareholdings (Cont'd)

as at 1 April 2024

## LIST OF TOP 30 HOLDERS - ORDINARY SHARES

NO.	NAME	HOLDINGS	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KEEN SETUP SDN BHD (PB)	89,300,000	15.423
2	LAU TUANG NGUANG	17,811,600	3.076
3	LAU GEOK HONG	14,959,050	2.584
4	PANDUAN JITU SDN BHD	13,385,625	2.312
5	MELATI ANGSANA SDN BHD	12,500,000	2.159
6	WARISAN DIPRIMA SDN BHD	12,500,000	2.159
7	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEEN SETUP SDN BHD	8,000,000	1.382
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU ENG GUANG	7,727,000	1.335
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CEMPAKA MADU SDN BHD (PB)	7,453,200	1.287
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEEN SETUP SDN BHD	7,000,000	1.209
11	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	6,569,850	1.135
12	IMPIAN SEMARAK SDN BHD	6,120,000	1.057
13	LAU JOO HAN	5,275,000	0.911
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU JOO KIEN BRIAN	5,100,000	0.881
15	LAU JOO PING	4,489,900	0.775
16	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU ENG GUANG	4,180,000	0.722
17	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NGU LEONG HOOK (KUCHING-CL)	3,416,800	0.590

# Statistics on Shareholdings (Cont'd)

as at 1 April 2024

## LIST OF TOP 30 HOLDERS - ORDINARY SHARES (CONT'D)

NO.	NAME	HOLDINGS	%
18	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIEW LI	3,352,100	0.579
19	SEOW HOON HIN	3,078,900	0.532
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POH SENG KIAN (TJJ/KEN)	2,590,000	0.447
21	LEE YOKE HEAN	2,584,200	0.446
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU JOO KIEN BRIAN (7001639)	2,500,000	0.432
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR NORMAH BINTI MOHAMAD ARIP	2,488,300	0.430
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (KENANGAESG)	2,267,200	0.392
25	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR QUEK MOOI KHENG (CCTS)	2,250,000	0.389
26	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROBERT WING-YEE SNASHALL	2,147,800	0.371
27	TE HOW LIANG	2,141,200	0.370
28	CHAN SWEE SIANG	2,076,300	0.359
29	YEO YEE TENG	2,000,000	0.345
30	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	1,879,950	0.325

# Analysis of Warrant B Holdings

as at 1 April 2024

Class of Securities : Warrant B  
 No. of Outstanding Warrant B : 174,132,762  
 Voting Rights : One vote per Warrant B in respect of a meeting of Warrant B Holders

SIZE OF HOLDINGS	NO. OF HOLDERS		TOTAL NO. OF HOLDERS		NO. OF SHARES		TOTAL NO. OF ISSUED SHARES	
	MALAYSIAN	FOREIGN	NO.	%	MALAYSIAN	FOREIGN	NO.	%
1 TO 99	3,659	104	3,763	19.81	184,351	5,558	189,909	0.11
100 TO 1,000	8,387	120	8,507	44.78	3,844,569	43,687	3,888,256	2.23
1,001 TO 10,000	5,264	71	5,335	28.08	16,157,345	231,387	16,388,732	9.41
10,001 TO 100,000	1,142	22	1,164	6.13	35,705,220	726,888	36,432,108	20.92
100,001 TO 8,706,638 ( * )	225	4	229	1.21	98,677,597	2,806,160	101,483,757	58.28
8,706,639 AND ABOVE ( ** )	1	0	1	0.01	15,750,000	0	15,750,000	9.04
<b>TOTAL</b>	<b>18,678</b>	<b>321</b>	<b>18,999</b>	<b>100.00</b>	<b>170,319,082</b>	<b>3,813,680</b>	<b>174,132,762</b>	<b>100.00</b>

## REMARK

\* LESS THAN 5% OF ISSUED WARRANTS

\*\* 5% AND ABOVE OF ISSUED WARRANTS



# Analysis of Warrant B Holdings (Cont'd)

as at 1 April 2024

## Directors' Shareholdings

No.	Name of Directors	Direct Interest (A)	%	Indirect Interest (B)	%	Total Interest (A+B)	%
1	Tan Sri Dato' Lau Eng Guang	-	-	*16,852,500	9.678	*16,852,500	9.678
2	Lau Joo Yong	-	-	-	-	-	-
3	Lau Joo Pern	-	-	-	-	-	-
4	Khoo Chie Yuan	-	-	-	-	-	-
5	Datuk Amnah Binti Ibrahim	-	-	-	-	-	-
6	Chu Nyet Kim	-	-	-	-	-	-

Note:

\* Deemed interested by virtue of his shareholding in Keen Setup Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 as well as the shareholding of his spouse in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.

# Analysis of Warrant B Holdings (Cont'd)

as at 1 April 2024

## LIST OF TOP 30 HOLDERS

NO.	NAME	HOLDINGS	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KEEN SETUP SDN BHD (PB)	15,750,000	9.045
2	PANDUAN JITU SDN BHD	4,015,687	2.306
3	MELATI ANGSANA SDN BHD	3,750,000	2.154
4	WARISAN DIPRIMA SDN BHD	3,750,000	2.154
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAK KOK LEONG	3,555,500	2.042
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	2,814,200	1.616
7	SEOW HOON HIN	2,373,940	1.363
8	CHAN THYE THIAN	2,365,400	1.358
9	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	2,234,625	1.283
10	TOH CHIN CHONG	2,060,000	1.183
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHUNG TOUNG	2,000,000	1.149
12	IMPIAN SEMARAK SDN BHD	1,836,000	1.054
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHUNG TOUNG (E-KKU)	1,682,500	0.966
14	ROSWADI BIN ROSMAN	1,665,200	0.956
15	TEH HOCK AUN	1,621,500	0.931
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK YOON LIM	1,559,480	0.896
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOW LEE	1,500,000	0.861

# Analysis of Warrant B Holdings (Cont'd)

as at 1 April 2024

## LIST OF TOP 30 HOLDERS (CONT'D)

NO.	NAME	HOLDINGS	%
18	WOON JAN SENG	1,492,000	0.857
19	KENANGA INVESTMENT BANK BERHAD IVT NAGA 8	1,346,280	0.773
20	NEO YIAP SENG	1,321,000	0.759
21	RINA RAHAYU BINTI MD LATAR	1,300,000	0.747
22	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	1,251,900	0.719
23	LIM HENG LOONG	1,150,000	0.660
24	LEE MEE KUEN	1,117,100	0.642
25	TEE LAY JING	1,053,000	0.605
26	LIONG HONG HOH	900,000	0.517
27	NG YU FONG	860,000	0.494
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LIM CHUNG TOUNG (8036111)	800,000	0.459
29	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	800,000	0.459
30	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	791,220	0.454

# Notice of Annual General Meeting



**COMFORT GLOVES BERHAD**  
Registration No. 193701000006 (852-D)  
(Incorporated in Malaysia)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 83<sup>rd</sup> Annual General Meeting (“AGM”) of Comfort Gloves Berhad (“**CGB**” or “**Company**”) will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

Day and Date	:	Monday, 27 May 2024
Time	:	10.00 a.m.
Broadcast Venue	:	Summit 1, 3 <sup>rd</sup> Floor, Wisma Westcourt, No.126, Jalan Klang Lama, 58000 Kuala Lumpur, Malaysia.
Online Meeting Platform	:	<a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>
Mode of Communication	:	(1) Typed text in the Meeting Platform (2) Email questions to <a href="mailto:investorsrelation@comfort-rubber.com.my">investorsrelation@comfort-rubber.com.my</a> prior to Meeting

### AGENDA

#### As ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ and Auditors’ Reports thereon. **(Please refer to Note 1)**
- To approve the payment of Directors’ Fees of RM350,000 in respect of the financial year ended 31 December 2023. **(Ordinary Resolution 1)**
- To approve the payment of Directors’ Benefits (excluding Directors’ Fees) to Non-Executive Directors up to an amount of RM102,000 from 83<sup>rd</sup> AGM until the next AGM of the Company. **(Ordinary Resolution 2)**
- To re-elect the following Directors who retired by rotation pursuant to Article 18.4(a) of the Company’s Constitution.  
  - Lau Joo Pern **(Ordinary Resolution 3)**
  - Khoo Chie Yuan **(Ordinary Resolution 4)**
- To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

# Notice of Annual General Meeting (Cont'd)

As **SPECIAL BUSINESS**, to consider and, if thought fit, pass the following Resolutions:-

6. **AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 75 AND SECTION 76 OF THE COMPANIES ACT 2016** (Ordinary Resolution 6)

"THAT pursuant to Section 75 and Section 76 of the Companies Act 2016 ("Act"), the Directors be and are hereby empowered to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this Mandate.

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY** (Ordinary Resolution 7)

"That, subject to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share-Buy Back") provided that:

- a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at any point in time of purchase;
- b) the maximum funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the total retained earnings of the Company at the time of purchase; and
- c) upon completion of the purchase by the Company its own ordinary shares, the Directors of the Company be and are hereby authorized to deal with the ordinary shares purchased in their absolute discretion in the following manners:
  - i) cancel all the ordinary shares so purchased; and/or
  - ii) retain the ordinary shares so purchased as treasury shares; and/or
  - iii) retain part thereof as treasury shares and cancel the remainder;
  - iv) in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force.

# Notice of Annual General Meeting (Cont'd)

## 7. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

That any authority conferred by this resolution may only continue to be in force until:

- i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- iii) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

whichever occurs first;

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act 2016, the provisions of the Constitution of the Company and the Main Market Listing Requirements and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

**FURTHER NOTICE IS HEREBY GIVEN THAT** only members whose names appear on the Record of Depositors as at 16 May 2024 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

By Order of the Board

**CHAN EOI LENG**  
(SSM PC No. 202008003055)  
(MAICSA 7030866)

**CHONG KWAI YOONG**  
(SSM PC No. 202308000244)  
(MAICSA 7075434)

Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia  
26 April 2024

# Notice of Annual General Meeting (Cont'd)

## Explanatory Notes:

1) Agenda 1 - To receive the Audited Financial Statements

Agenda 1 is meant for discussion only in accordance with Section 340 (1) (a) of the Companies Act 2016 and does not require shareholders' approval. Hence, Agenda 1 will not be put forward for voting.

2) Ordinary Resolutions 1 and 2 – Payment of Directors' Fee and Payment of Directors' Benefits

Section 230 (1) of the Companies Act 2016 provides amongst others, that "fee" of the directors and "any benefits" payable to directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for these payments in two separate resolutions as follows:

Resolution 1: Payment of Directors' Fees

The Directors' fees include fees payable to the Chairman and members of the Board.

Resolution 2: Payment of Directors' Benefits

The Directors' benefits (excluding Directors' Fees) comprise the Meeting Allowances payable to the members of the Board and are calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees and includes all benefits payable to the Directors, such as meeting allowances, committees' fees, etc.

Based on the Remuneration Committee's recommendation, the Board decided that the Directors' fees and Directors' Benefits in respect of the financial year ended 31 December 2023 shall remain unchanged as follows:

Description	Non-Executive Directors / Members (FYE 2022 per annum per director)	Non-Executive Directors / Members (FYE 2023 per annum per director)
Directors' Fee -Board of Directors	RM75,000	RM75,000
<b>Directors' Fee - Board Committees</b>		
Chairman of Audit Committee	RM25,000	RM25,000
Members of Audit Committee	RM15,000	RM15,000
Chairman of Nomination Committee	RM15,000	RM15,000
Members of Nomination Committee	RM10,000	RM10,000
Chairman of Remuneration Committee	RM15,000	RM15,000
Members of Remuneration Committee	RM10,000	RM10,000
Description	Non-Executive Directors / Members	
Meeting Allowance for Directors' Meeting and Board Committees	RM1,500 per meeting	
Travelling Allowance per director (for outstation Director)	RM500 per trip (2 ways)	

# Notice of Annual General Meeting (Cont'd)

## Explanatory Notes: (Cont'd)

### 3) Ordinary Resolutions 3 and 4 – Re-election of Directors

Lau Joo Pern and Khoo Chie Yuan are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election at this 83<sup>rd</sup> AGM.

The Board has via the Nomination Committee held on 21 February 2024 conducted an assessment on the effectiveness and contributions of the said retiring Directors including their skills, experience and strength in qualities and time commitment and has recommended for them to be re-elected to the Board.

### 4) Ordinary Resolution 5 - Appointment of Auditors

The Audit Committee ("AC") has on 21 February 2024 carried out an assessment of the suitability and independence of the External Auditors, Messrs KPMG PLT and was satisfied with the suitability of Messrs KPMG PLT based on the quality of audit, performance, competency, and sufficiency of resources the external audit team provided to the Group. The AC in its assessment also found Messrs KPMG PLT to be sufficiently objective and independent.

The Board therefore approved the AC's recommendation on the re-appointment of Messrs KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2024 be put forward for the shareholders' approval at the 83<sup>rd</sup> AGM.

### 5) Ordinary Resolution 6 - Authority to Allot and Issue Shares in General Pursuant to Section 75 and Section 76 of the Companies Act 2016

The Ordinary Resolution proposed under item 6 if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM to allot and issue shares in the Company up to and not exceeding in total ten percent (10%) of the issued share capital of the Company ("Share Mandate"). This Share Mandate will expire at the conclusion of the next AGM of the Company, unless revoked or varied at a general meeting.

With this Share Mandate, the Company will be able to raise capital from the equity market in a shorter period of time compared to a situation without the Share Mandate. The Share Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and/or acquisitions, or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares without making a pre-emptive offer to existing shareholders. In addition, any delay arising from and cost involved in convening an Extraordinary General Meeting ("EGM") to approve such issuance of shares should be eliminated. The Company will have to seek shareholders' approval at an EGM to be convened in the event that the proposed issuance of shares exceeds the 10% threshold contained in the Share Mandate.

At the Annual General Meeting held on 22 May 2023, the Directors of the Company has been granted a general mandate by the members of the Company to issue and allot shares in the Company up to and not exceeding 10% of the total number of issued shares of the Company. Up to the date of Notice, the Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

### 6) Ordinary Resolution 7 - Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution 7 proposed, if passed, will empower the Directors to purchase the Company's shares through Bursa Malaysia Securities Berhad up to 10% of the issued shares of the Company. Details of the Proposed Share Buy-Back is set out in the Share Buy-Back Statement of the Company, which is sent out together with the Annual Report 2023.



# Notice of Annual General Meeting (Cont'd)

## Notes :

- 1) Pursuant to Paragraph 8.29A of the Listing Requirements, voting at general meeting will be conducted by poll rather than show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
- 2) A member (other than an exempt authorised nominee) entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.
- 3) Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 4) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- 5) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- 6) The instrument appointing a proxy must be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrars Sdn. Bhd. at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, electronic mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or fax +603-7890 4670, otherwise the instrument of proxy should not be treated as valid.

**COMFORT GLOVES BERHAD**

193701000006 (852-D)

**Form of Proxy**

No. of Shares held	
CDS A/C No.	
Shareholder Telephone No.	

I/We, \_\_\_\_\_ NRIC No. / Registration No. \_\_\_\_\_  
 (Name of Shareholder as per NRIC)

of \_\_\_\_\_  
 (Full Address)

being a member(s) of Comfort Gloves Berhad, hereby appoint the following person(s):

Proxy	Full Name (in Block Letters) NRIC/Passport No.	Tel. No.	NRIC/Passport No.	No. of shares	%
1					
	Email:				
2					
	Email:				

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 83<sup>rd</sup> Annual General Meeting of the Company to be held on Monday, 27 May 2024 or at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business	Ordinary Resolution	For	Against
The payment of Directors' Fees	1		
The payment of Directors' Benefits to Non-Executive Directors	2		
The re-election of Lau Joo Pern as Director	3		
The re-election of Khoo Chie Yuan as Director	4		
The re-appointment of Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration.	5		
<b>Special Business</b>			
Authority to Allot and Issue Shares	6		
Proposed Renewal of Share Buy Back Authority	7		

Please indicate with (√) or (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date:

\_\_\_\_\_  
 Signature of Shareholder / Common Seal

**NOTES:**

- Only members whose names appear on the Record of Depositors as at 16 May 2024 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
- A member (other than an exempt authorised nominee) entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- 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 the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy must be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrars Sdn. Bhd. at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, electronic mail to bsr.helpdesk@boardroomlimited.com or fax +603-7890 4670, otherwise the instrument of proxy should not be treated as valid.
- Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of AGM will be put to vote on a poll.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.



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**AFFIX  
STAMP**

The Share Registrar  
**COMFORT GLOVES BERHAD**  
[Registration No.193701000006 (852-D)]

11<sup>th</sup> Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan,  
Malaysia.

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**COMFORT GLOVES BERHAD**  
193701000006 (852-D)  
Lot 821, Jalan Matang,  
34750 Matang, Taiping, Perak Darul Ridzuan.

**[www.comfort-rubber.com.my](http://www.comfort-rubber.com.my)**