



**COMFORT GLOVES BERHAD**

193701000006 (852-D)

**2020**

**ANNUAL REPORT**



**COMFORT**  
*with* **Trust**

# 85<sup>th</sup> Annual General Meeting

**Day and Date:**  
Monday, 25 May 2026

**Time:**  
9.00 a.m.

**Venue:**  
Flemington Hotel  
(Hall: M1 (Ground Floor))  
1, Jalan Samanea Saman,  
34000 Taiping,  
Perak



Scan this QR code to find out more about our Annual Report 2025 from our website

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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.

# 04

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# 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 regions of the world.





**CORE VALUES**

RELIABILITY

QUALITY

SAFE

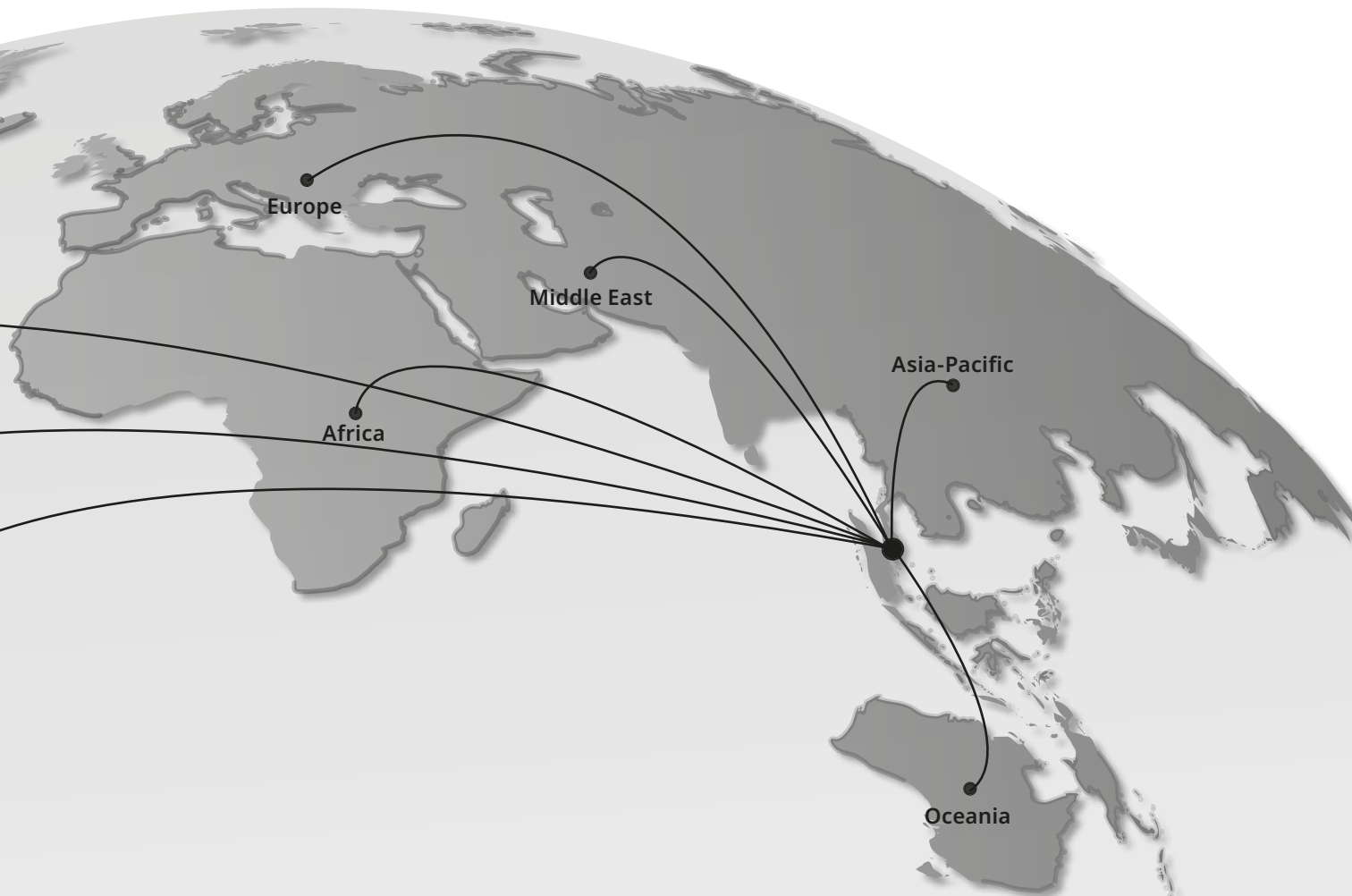
**VISION**

To be the market leader in providing safe gloves



**MISSION**

Making a difference where it matters





# At a Glance

## Financial Highlights

<b>REVENUE</b> <b>RM 333.59 million</b> 2024 RM 346.76 million	<b>GROSS LOSS</b> <b>RM 47.12 million</b> 2024 RM 34.30 million	<b>LOSS BEFORE TAX</b> <b>RM 144.27 million</b> 2024 RM 64.18 million
<b>CAPITAL EXPENDITURE</b> <b>RM 28.28 million</b> 2024 RM 38.86 million	<b>TOTAL ASSETS</b> <b>RM 744.76 million</b> 2024 RM 936.02 million	<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b> <b>RM 32.70 million</b> 2024 (RM 54.31 million)

## Sustainability Highlights

Full sponsorship of the **Back to School CSR** covering annual fees and uniforms

Adoption of **Malayan Tiger** at Zoo Taiping

Upgrading **Community Surau** Infrastructure

Implementation of **Walk Clean Community Program** to empower community engagement

Contribution of **3 Smart TV units** to a nearby school

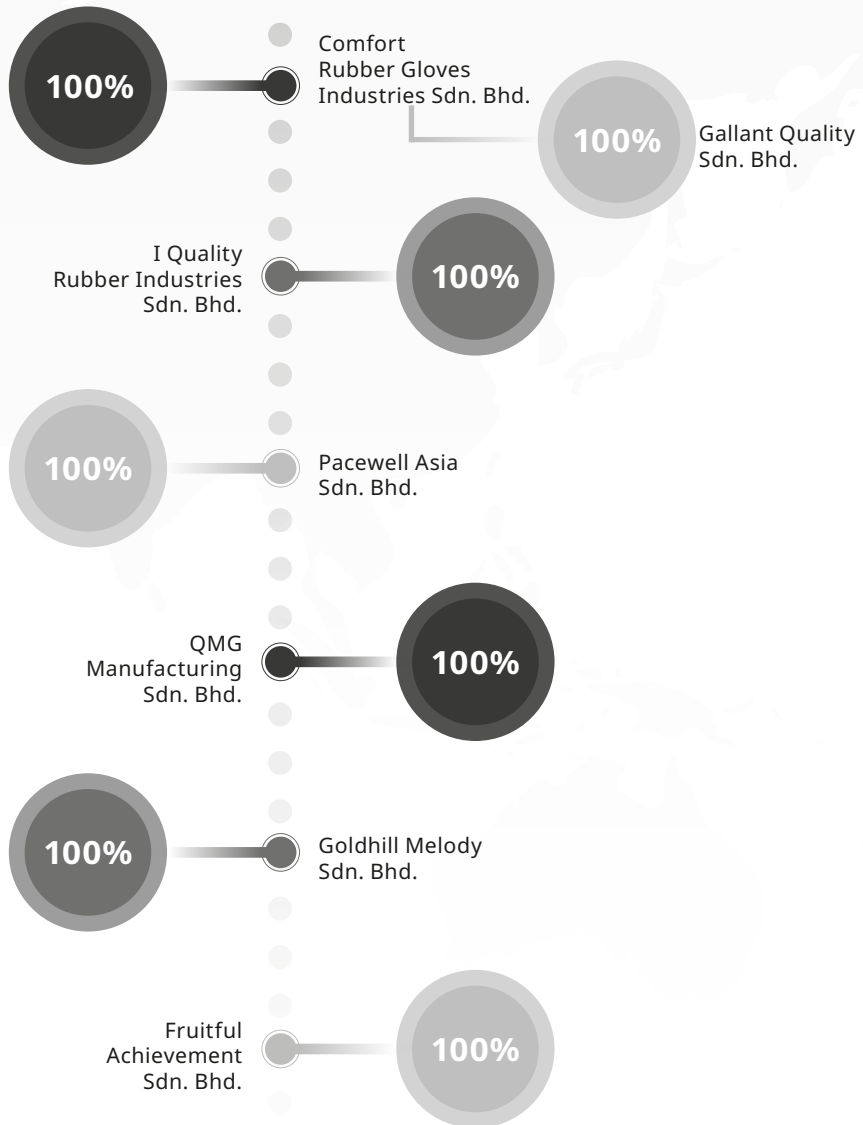


# Group Structure



## COMFORT GLOVES BERHAD

193701000006 (852-D)





# Corporate Information

## Directors

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

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

**Lau Joo Pern**  
Executive Director

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

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

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

## AUDIT AND RISK MANAGEMENT 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 : <https://comfortrubber.com>  
Email : [inquiry@comfortrubber.com](mailto:inquiry@comfortrubber.com)

## SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd  
[199601006647 (378993-D)]  
11th 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

Unit 11.07, Amcorp Tower  
Amcorp Trade Centre  
18, Persiaran Barat  
46050 Petaling Jaya  
Selangor, Malaysia  
Tel No. : 017-6229303

## COMPANY SECRETARY

Wong Youn Kim  
(SSM PC No. 201908000410)  
(MAICSA 7018778)

## 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 71 | Male

Board Meeting Attended  
●●●●● 5/5

Malaysia

Board Committees  
Memberships  
N/A

Date of Appointment  
5 March 2021

Date of Last Re-Election  
22 May 2023

Length of Service  
(as at 21 April 2026)  
5 years 1 month

### Academic / Professional Qualifications

- South Australian - Matriculation

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

- Leong Hup International Berhad

### 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 43 years of experience and expertise in the integrated livestock industry. He is also a trustee of Lau Eng Guang Dialysis Charitable Foundation.

### 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.

### 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 39 | Male

Date of Last Re-Election  
26 May 2025

Malaysia

Length of Services  
(as at 21 April 2026)  
11 years 7 months

Date of Appointment  
as Executive Director  
9 September 2014

Board Meeting Attended  
●●●●● 5/5

Date of Appointment  
as Group Chief  
Executive Officer  
31 March 2021

Board Committees  
Memberships  
N/A

### Academic / Professional Qualifications

- Bachelor of Business Administration, East London University

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

- Leong Hup International Berhad

### 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.

### 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.

### 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 45 | Male

Date of Last Re-Election

27 May 2024

Malaysia

Date of Appointment as  
Non-Independent  
Non-Executive Director

30 January 2015

Length of Service  
(as at 21 April 2026)

11 years 2 months

Board Meeting Attended

●●●●● 5/5

Redesignated to  
Executive Director

7 January 2021

Board Committees  
Memberships

N/A

#### 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)

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

- Nil

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

His experience has spanned over a period of more than 17 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.

#### 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.

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.

### CHU NYET KIM

Independent Non-Executive Director

Age 70 | Female

Board Meeting Attended

●●●●● 5/5

Malaysia

Date of Appointment

26 July 2022

Date of Last Re-Election

26 May 2025

Length of Services  
(as at 21 April 2026)

3 years 8 months

Board Committees  
Memberships

- Audit and Risk Management Committee, Chairman
- Nomination Committee, Member
- Remuneration Committee, Member

#### Academic / Professional Qualifications

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

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

- Leong Hup International Berhad
- Mah Sing Group Berhad

#### 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.

Mah Sing Group Berhad appointed her as their Independent Non-Executive Director on 1 August 2025.

#### 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.



## Profile of Directors (Cont'd)

### KHOO CHIE YUAN

Independent Non-Executive Director

Age 68 | Male

Board Meeting Attended

●●●●● 5/5

Malaysia

Date of Appointment

7 January 2021

Board Committees Memberships

- Audit and Risk Management Committee, Member
- Nomination Committee, Member
- Remuneration Committee, Chairman

Date of Last Re-Election

27 May 2024

Length of Service (as at 21 April 2026)

5 years 3 months

#### Academic / Professional Qualifications

- Diploma in Business Administration, Institute of Business Administration, Australia
- Diploma in General Insurance, Australian Insurance Institute
- Advanced Diploma in Accounting, International Association of Accounting Professionals
- Member of International Association of Accounting Professionals

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

- Nil

#### 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.

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

#### 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 68 | Female

Board Meeting Attended

●●●●● 5/5

Malaysia

Date of Appointment

19 July 2022

Board Committees Memberships

- Audit and Risk Management Committee, Member
- Nomination Committee, Chairman
- Remuneration Committee, Member

Date of Last Re-Election

22 May 2023

Length of Services (as at 21 April 2026)

3 year 9 months

#### Academic / Professional Qualifications

- STPM, Sekolah Datuk Bentara Luar Batu Pahat Johor

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

- Nil

#### 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.

#### 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.



# Profile of Key Senior Management

**LEONG CHOI LING**

Chief Financial Officer

Age 52 | Female

Malaysia

**Date of Appointment**

30 May 2025

**Academic / Professional Qualifications**

- A Member of the Malaysia Institute of Accountants (MIA)

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

- Nil

**Working Experience:**

Ms Leong Choi Ling joined Comfort Gloves Berhad on 16 June 2022. She is a Chartered Accountant registered with the Malaysian Institute of Accountants and an ACCA graduate. Ms Leong brings over 26 years of experience in various core areas of financial and compliance functions, including corporate finance, operations, manufacturing, financial management, risk management, treasury, tax compliance and planning, funding management, as well as external and internal audit. Her professional exposure spans across conglomerates, multinational corporations, and public listed companies on both Bursa Malaysia and the Australian Securities Exchange. Prior to joining Comfort Gloves Berhad, she held senior leadership roles such as Chief Financial Officer, Finance Director, and Senior Group Accountant in several organisations.

**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.



# Chairman's Statement

*Dear Valued Shareholders,*

**On behalf of the Board of Directors ("Board"), I am pleased to 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 2025 ("FYE 2025"). The year under review continued to present challenges for the Group amid the broader headwinds facing the glove industry. Nevertheless, we remained steadfast in navigating these headwinds whilst laying the groundwork to strengthen our position as industry conditions evolve.**

## **BUSINESS ENVIRONMENT**

The global rubber glove industry continued to face a challenging operating environment in 2025, characterised by persistent oversupply, intense pricing competition and rising production costs arising from raw material volatility, higher energy tariffs and evolving labour regulations. While the restocking-driven demand observed in 2024 had provided some initial signs of recovery, these conditions did not sustain into 2025 as the broader industry headwind persisted.

The geopolitical landscape shifted considerably during the year, reshaping global trade flows. The imposition of a 50.0% United States ("US") tariff on Chinese-made gloves effective from January 2025 redirected part of procurement towards Malaysian manufacturers, providing some support to order volumes and capacity utilisation levels within the Malaysian glove industry. However, this was insufficient to offset the continued pricing pressures in non-US export markets, as Malaysia's rubber glove export value declined by 10.1%, from RM15.57 billion in 2024 to RM14.00 billion in 2025. The subsequent escalation of US tariffs on Chinese-made medical and surgical gloves to 100.0% effective January 2026 is expected to further strengthen the competitive position of Malaysian glovemakers in the US market.

We remain attentive to these evolving geopolitical and trade dynamics, which will continue to shape the competitive landscape in the near term.

## **FINANCIAL PERFORMANCE**

Amid the prevailing market conditions, our Group recorded revenue of RM333.59 million in FYE 2025, a decrease of RM13.17 million or 3.8% from RM346.76 million in 31 December 2024 ("FYE 2024"), primarily driven by weaker export demand and prolonged pricing pressure in the global glove market.

Our Group recorded a loss before tax ("LBT") of RM144.27 million in FYE 2025, compared to an LBT of RM64.18 million in FYE 2024. The financial performance for the financial year was significantly impacted by the recognition of an impairment loss on property, plant and equipment ("PPE") of RM52.49 million, the write-off of PPE of RM13.14 million, as well as the inventories written down amounting to RM16.10 million.

Notwithstanding the reported loss, our Group maintained a sound liquidity position as at 31 December 2025, supported by cash and cash equivalents ("CCE") of RM64.03 million, a current ratio of 5.64 times and a gearing ratio of 0.03 times. However, our Group's total equity decreased to RM671.30 million, with net assets per share declining to RM1.15 from RM1.40 in FYE 2024, primarily due to the losses recorded during the financial year.

For a more detailed overview of our financial performance, please refer to the Management Discussion and Analysis section of this Annual Report.



## Chairman's Statement (Cont'd)

### UPHOLDING CORPORATE GOVERNANCE

As we continue to navigate an evolving business landscape, strong corporate governance forms the foundation upon which we build stakeholder trust and long-term business resilience. By embedding the principles of transparency, accountability and integrity throughout our organisation, we promote responsible decision-making and strengthen oversight across our operations.

Following the re-designation of our Audit Committee to the Audit and Risk Management Committee, the Board has continued to enhance its integrated approach to risk oversight, ensuring that risk considerations are systematically addressed alongside financial reporting responsibilities.

For further details on our corporate governance practices and disclosures, please refer to the Corporate Governance Overview Statement ("CG Overview Statement") of this Annual Report, as well as the Corporate Governance Report ("CG Report").

### COMMITMENT TO SUSTAINABILITY

Sustainability continues to be an integral pillar of our Group's long-term business strategy as we strive to create sustainable value for our stakeholders. During FYE 2025, we strengthened our sustainability framework through the revision of several key policies, including the Environmental Policy, Social Compliance Policy and Working Hours and Overtime Policy. These policies reinforce our commitment to responsible business practices while establishing a structured framework to drive continuous improvement in our environmental and social performance.

In addition, we remained committed to supporting the communities surrounding our operations through various Corporate Social Responsibility ("CSR") initiatives. During the year, we extended support to students with intellectual disabilities at Sekolah Semangat Maju in Larut, Matang and Selama. Separately, through the Back to School 2025 programme, we fully sponsored the annual schooling expenses of students at Tabika Kemas Matang Gelugor and Tabika Kemas Simpang, covering school fees, insurance, uniforms and sports attire. We also continued our tradition of festive giving by supporting communities in need during Chinese New Year, Hari Raya Aidilfitri and Deepavali 2025.

Further details on our Group's sustainability commitments, initiatives and performance are set out in the Sustainability Statement of this Annual Report.





## Chairman's Statement (Cont'd)

### FUTURE PROSPECTS

The outlook for the rubber glove industry heading into 2026 had been showing encouraging signs, with global glove demand projected to reach approximately 398 billion pieces in 2026 according to TA Securities Holding Berhad, supported by escalation of US tariffs on Chinese-made gloves and growing demand across healthcare and non-medical sectors.

However, the commencement of US-Israeli military operations against Iran on 28 February 2026 has introduced significant near-term uncertainty, particularly in relation to energy costs, raw material prices and global supply chain disruptions. We are closely monitoring these developments and their potential implications for our business.

Notwithstanding these uncertainties, we remain focused on strengthening our competitive position through operational efficiency improvements, the development of higher-margin products and disciplined cost management. These efforts are aimed at positioning our Group for a return to profitability as industry conditions improve.

### *Appreciation*

**On behalf of the Board, I would like to extend my heartfelt thanks to our management team and employees for their dedication and resilience throughout the year. Your commitment and professionalism have been instrumental in navigating the challenges faced during the year and in supporting our Group's ongoing efforts to strengthen our position.**

I am also pleased to congratulate Ms. Leong Choi Ling on her appointment as our Chief Financial Officer, having previously served as the Group's Financial Controller. Her familiarity with our operations and financial position will serve us well as we navigate the current operating environment.

I would also like to express my sincere appreciation to our shareholders, customers and business partners for their continued trust and confidence in our Group. Your support remains an important foundation as we continue our journey towards long-term growth and sustainability.

Looking ahead to 2026, we are mindful of the challenges and uncertainties in the operating environment, but remain committed to building a stronger and more resilient organisation. With the continued support of our stakeholders, we will strive to deliver sustainable long-term value for all our stakeholders.

Thank you.

**Tan Sri Dato' Lau Eng Guang**  
Executive Chairman  
15 April 2026

# Management Discussion and Analysis

## THE GROUP'S BUSINESS AND OPERATIONS REVIEW

Our Group has been principally engaged in the manufacturing and trading of both natural and synthetic rubber gloves since 1993. Over the years, our Group has grown into an established glove manufacturer, offering a wide range of products that serve customers across various industries, including healthcare, food services, laboratories and others. Through continuous market expansion over the years, our Group has built a strong international presence, supplying our products to customers in North America, Asia, Europe and other regions.

Currently, our Group operates six (6) manufacturing plants in Taiping, Perak, with a total of 53 manufacturing lines and an annual capacity of approximately six (6) billion pieces of gloves. These facilities are equipped with advanced machinery and equipment that supports efficient and large-scale production, enabling us to meet our customers' requirements.

The rubber glove industry continued to face headwinds during FYE 2025, characterised by persistent oversupply, competitive pricing pressures and rising operational costs. In response, our Group focused on strengthening operational resilience through the development of higher-margin specialty products, cost optimisation and operational efficiency initiatives including the acceleration of automation technologies. As part of our ongoing efforts to rationalise our asset base and align production capacity with prevailing market conditions, certain plant and equipment and inventories were impaired or written off during the financial year, as further discussed in the Financial Performance Review and Financial Position Review sections below. These measures aimed at strengthening our Group's competitiveness and positioning us for sustainable recovery as industry conditions gradually improve.

## FINANCIAL PERFORMANCE REVIEW

	FYE 2025	FYE 2024	Variance	
	RM'000	RM'000	RM'000	%
Revenue	333,589	<b>346,757</b>	(13,168)	(3.8)
Gross loss ("GL")	(47,116)	<b>(34,299)</b>	(12,817)	37.4
Loss before tax ("LBT")	(144,274)	<b>(64,183)</b>	(80,091)	124.8
Loss after tax ("LAT")	(142,514)	<b>(55,888)</b>	(86,626)	155.0
<b>Financial Ratios</b>				
GL margin (%)	(14.1)	<b>(9.9)</b>	-	(4.2)
LBT margin (%)	(43.2)	<b>(18.5)</b>	-	(24.7)
LAT margin (%)	(42.7)	<b>(16.1)</b>	-	(26.6)

Throughout FYE 2025, the rubber glove industry remained challenging, marked by persistent oversupply, competitive pricing pressures and rising operational costs. While the implementation of a 50.0% US tariffs on Chinese-made gloves in 2025 began redirecting part of the demand towards Malaysian manufacturers, the broader industry environment remained subdued due to continued global oversupply and intense competition in non-US markets. As a result, Malaysia's rubber glove exports declined by 10.1%, from RM15.57 billion in 2024 to RM14.00 billion in 2025.

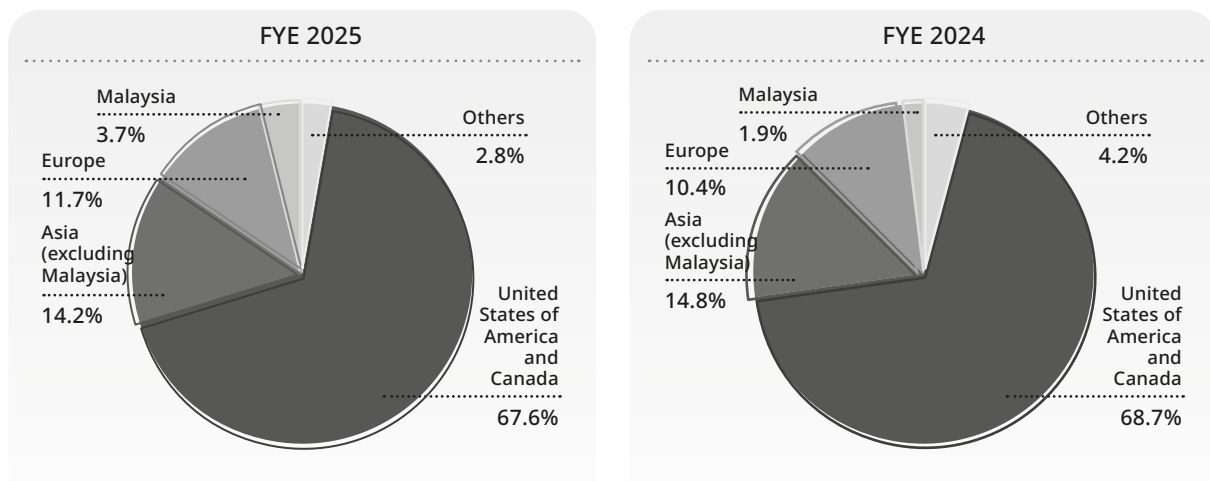


## Management Discussion and Analysis (Cont'd)

### Revenue

In light of the above market environment, our Group recorded a decrease in revenue of RM13.17 million or 3.8%, from RM346.76 million in FYE 2024 to RM333.59 million in FYE 2025. The decrease was mainly driven by weaker demand from overseas customers and intensified price competition during the financial year.

Our Group's revenue segmentation by geographical markets for FYE 2025 and FYE 2024 is presented below: -



During FYE 2025, overseas markets remained the primary revenue contributor, accounting for 96.3% of our total revenue, while the Malaysian market contributed the remaining 3.7%. The United States of America and Canada continued to be our Group's largest markets, contributing RM225.46 million or 67.6% of our total revenue in FYE 2025 (FYE 2024: RM238.13 million or 68.7%). Asia (excluding Malaysia) remained the second largest market, accounting for 14.2% of our total revenue in FYE 2025.

### GL and GL Margin

Despite the marginal decrease in cost of sales from RM381.06 million in FYE 2024 to RM380.70 million in FYE 2025, our Group reported a higher GL of RM47.12 million in FYE 2025, representing an increase of RM12.82 million or 37.4% compared to RM34.30 million in FYE 2024. The higher GL was primarily attributable to the inventories written down amounting to RM16.10 million during the financial year. In addition, our Group's lower production volumes during the financial year resulted in fixed manufacturing overheads being spread across fewer units, contributing to a higher cost per unit. Correspondingly, the GL margin widened to 14.1% in FYE 2025 from 9.9% in FYE 2024.

### LBT and LBT Margin

In addition to the higher GL recorded, our Group reported a significantly higher LBT of RM144.27 million in FYE 2025, representing an increase of RM80.09 million or 124.8% from RM64.18 million in FYE 2024. Accordingly, the LBT margin widened to 43.2% in FYE 2025 from 18.5% in FYE 2024. The increase in both LBT and LBT margin was mainly attributable to the recognition of an impairment loss on PPE amounting to RM52.49 million as well as the write-off of PPE amounting to RM13.14 million during FYE 2025.



## Management Discussion and Analysis (Cont'd)

### LAT and LAT Margin

Our Group's LAT increased by RM86.62 million or 155.0% from RM55.89 million in FYE 2024 to RM142.51 million in FYE 2025, with the LAT margin widening to 42.7% from 16.1% in the prior year. The lower tax credit of RM1.76 million in FYE 2025 compared to RM8.30 million in FYE 2024 was mainly due to lower deferred tax benefits recognised during the financial year.

### FINANCIAL POSITION REVIEW

	31.12.2025	31.12.2024	Variance	
	RM'000	RM'000	RM'000	%
<b>Assets</b>				
Non-current assets	403,195	479,679	(76,484)	(15.9)
Current assets	341,564	456,342	(114,778)	(25.2)
<b>Total assets</b>	<b>744,759</b>	<b>936,021</b>	<b>(191,262)</b>	<b>(20.4)</b>
<b>Liabilities</b>				
Non-current liabilities	12,905	11,775	1,130	9.6
Current liabilities	60,551	110,429	(49,878)	(45.2)
<b>Total liabilities</b>	<b>73,456</b>	<b>122,204</b>	<b>(48,748)</b>	<b>(39.9)</b>
<b>Equity/ Net assets attributable to equity holders of the Company</b>	<b>671,303</b>	<b>813,817</b>	<b>(142,514)</b>	<b>(17.5)</b>
<b>Financial Ratios</b>				
Current ratio (times)	5.64	4.13	1.51	36.6
Gearing ratio (times)	0.03	0.06	(0.03)	(50.0)
Net assets per share (sen)	115.16	139.60	(24.44)	(17.5)

Our Group's total assets decreased by RM191.26 million or 20.4%, from RM936.02 million as at 31 December 2024 to RM744.76 million as at 31 December 2025. The decrease was primarily attributable to:

- (i) the decrease in PPE by RM76.39 million, mainly arising from the recognition of an impairment loss and write-off of PPE during the financial year;
- (ii) the decrease in inventories of RM53.48 million, mainly driven by the net written down of inventories amounting to RM16.10 million as well as lower inventory holdings in line with the reduced production volumes during the financial year;
- (iii) the decrease in trade and other receivables by RM37.41 million, in line with the lower revenue recorded during the financial year and improved collections during the year; and
- (iv) the decrease in other investments by RM29.79 million, following the withdrawal of investments in unit trusts.

The above decreases were partially offset by an increase in cash and cash equivalents of RM6.97 million, as further discussed in the Cash Flows Review section below.



## Management Discussion and Analysis (Cont'd)

Our Group's total liabilities decreased by RM48.74 million or 39.9% from RM122.20 million as at 31 December 2024 to RM73.46 million as at 31 December 2025. The decrease was primarily driven by a reduction in loans and borrowings of RM27.38 million, mainly arising from a net reduction in bill payables of RM31.51 million, partially offset by an increase in term loans of RM4.23 million. The decrease in total liabilities was also partially attributable to the decrease in trade and other payables of RM18.95 million, mainly due to lower production volumes and purchases during the financial year.

Overall, our Group concluded the financial year with an improved liquidity position, supported by a current ratio of 5.64 times, a low gearing ratio of 0.03 times, and CCE of RM64.03 million. However, our Group's total equity decreased by RM142.51 million to RM671.30 million, with a net assets per share declining to RM1.15 from RM1.40 in FYE 2024, primarily due to the losses recorded during the financial year.

### CASH FLOWS REVIEW

	FYE 2025	FYE 2024	Variance	
	RM'000	RM'000	RM'000	%
Net cash from/ (used in) operating activities	32,700	(54,312)	87,012	(160.2)
Net cash from/ (used in) investing activities	4,653	(28,056)	32,709	(116.6)
Net cash (used in)/ from financing activities	(29,826)	1,921	(31,747)	(1,652.6)
<b>Net changes in CCE</b>	<b>7,527</b>	<b>(80,447)</b>	<b>87,974</b>	<b>(109.4)</b>
Effect of exchange rate fluctuations	(554)	(3,674)	3,120	(84.9)
CCE at the beginning of the financial year	57,061	141,182	(84,121)	(59.6)
<b>CCE at the end of the financial year</b>	<b>64,034</b>	<b>57,061</b>	<b>6,973</b>	<b>12.2</b>

During FYE 2025, our Group recorded a net cash inflow from operating activities of RM32.70 million, a significant improvement from the net cash outflow from operating activities of RM54.31 million in FYE 2024. This improvement was mainly attributable to a lower inventories of RM37.38 million due to reduced stock holdings and the net written down of inventories during the financial year, as well as decrease in trade and other receivables of RM33.72 million, driven by improved collections and the lower revenue recorded during the financial year. These working capital inflows were partially offset by a decrease in trade and other payables of RM18.52 million.

Our Group recorded a net cash inflow from investing activities of RM4.65 million in FYE 2025, mainly attributable to the withdrawal from investments in unit trusts of RM32.92 million and interest income of RM1.09 million from the investments. The cash inflow was partially offset by the purchase of PPE amounting to RM28.28 million.

Our Group reported a net cash outflow from financing activities of RM29.83 million in FYE 2025, primarily due to the net repayment of bill payables and interest expenses amounting to RM30.93 million and RM2.42 million respectively. The cash outflow was partially offset by the net drawdown of term loans amounting to RM4.23 million.



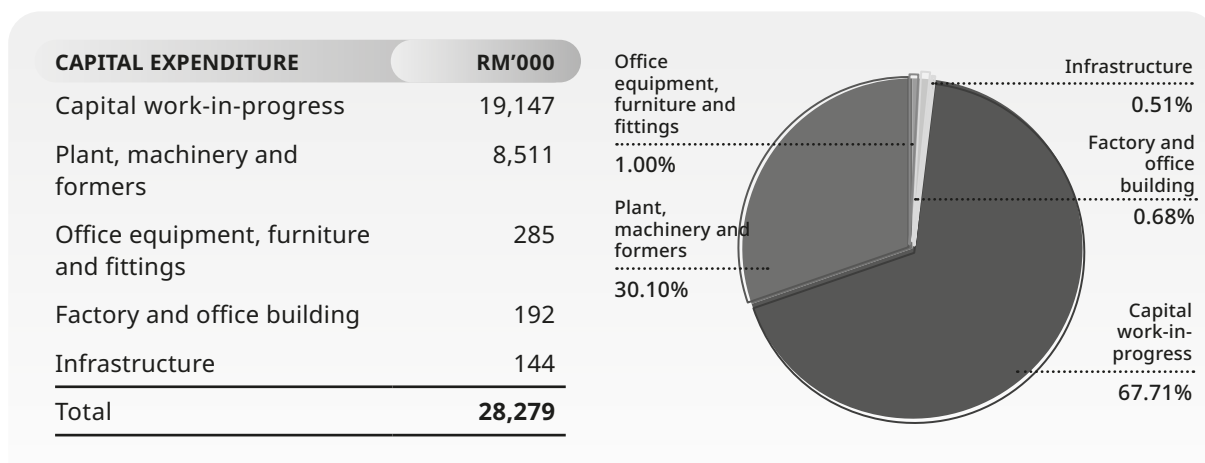
## Management Discussion and Analysis (Cont'd)

### CAPITAL STRUCTURE, RESERVES AND EXPENDITURE

Our Group finances our operations through cash generated from business activities, credit extended by trade suppliers and banking facilities provided by financial institutions, including term loans, finance leases and bill payables.

As at 31 December 2025, our Group's total share capital stood at RM142.99 million, comprising 582,949,143 ordinary shares, with a net assets per share of RM1.15. Barring any unforeseen circumstances, our Group shall have sufficient working capital to meet our operational requirements, taking into consideration our CCE of RM64.03 million, current ratio of 5.64 times and a gearing ratio of 0.03 times as at 31 December 2025.

During FYE 2025, our Group has invested a total of RM28.28 million in capital expenditures, which consists of the following: -



Total capital expenditure decreased by RM10.58 million or 27.2% from RM38.86 million in FYE 2024, mainly due to lower spending on capital work-in-progress following the substantial completion of certain facility enhancement projects in the prior year.

As at 31 December 2025, our Group's capital commitments are as follows: -

CAPITAL COMMITMENTS	RM'000
Property, plant and equipment - approved and contracted for	922

As at 31 December 2025, our Group's capital commitments decreased significantly from RM20.01 million in FYE 2024 to RM0.92 million, following the substantial completion of ancillary facility enhancement works during the financial year. The remaining commitment relates to ongoing facility works for our Group's operations.



## Management Discussion and Analysis (Cont'd)

### KEY RISKS RELATING TO OUR BUSINESS



#### Business Competition Risk

The glove industry remains highly competitive, with numerous new and existing players operating across major markets. This has contributed to an oversupply of gloves and continued downward pressure on average selling price ("ASP"). These conditions intensify price competition and place pressure on our Group's ability to sustain profit margins.

To mitigate this risk, we focus on developing products that meet evolving customer requirements, allowing us to differentiate our offerings in the market. In addition, we conduct regular reviews of our product costing structures to improve cost efficiency and support profitability.



#### Risk of Rising Production Cost

Our Group continues to face rising production costs driven by higher prices of key raw materials such as natural rubber and chemicals, as well as increases in energy and labour costs. During FYE 2025, these pressures were compounded by higher energy tariffs and the impact of revised labour regulations. In a highly competitive industry with limited pricing flexibility, these cost pressures may compress margins and affect profitability if not effectively managed.

To manage rising production costs, our Group continues to strengthen our procurement practices by expanding our network of suppliers and identifying alternative sourcing options. This approach allows us to secure more competitive pricing while reducing reliance on any single supplier and strengthening the resilience of our Group's supply chain. In addition, we regularly assess product costing and pricing strategies to support prudent cost management.



#### Risk of Export Bans

Our Group is exposed to the risk of export restrictions or bans, particularly in the US and other key markets. These conditions may arise from perceived or actual inconsistencies in product quality or other compliance issues. Any restrictions would have a significant impact on revenue and market access.

To mitigate this risk, our Group has established comprehensive control measures throughout the manufacturing process. These measures include rigorous water-tight testing and visual inspections during quality assurance, chemical testing on compounding and in-process materials and physical properties testing. Moreover, we conduct weekly performance reviews focusing on key metrics such as barrier defects per million opportunities and visual lot acceptance rates. These reviews are supported by regular internal quality audits to ensure consistent adherence to stringent international quality standards.



#### Credit and Liquidity Risk

Our Group is exposed to credit risk arising from potential delays or non-collection of trade receivables, which could adversely affect cash flow and working capital. This risk is heightened by our Group's current loss-making position, which could challenge the availability of working capital to meet operational and financial obligations in a timely manner.

To manage this risk, our Group regularly monitors credit exposure and periodically reviews customer credit terms. Our Group also seeks to negotiate longer credit terms with suppliers, optimise inventory management and defer non-essential capital expenditure where feasible. These measures are intended to maintain adequate liquidity and support operational stability.



## Management Discussion and Analysis (Cont'd)

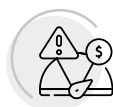
### KEY RISKS RELATING TO OUR BUSINESS (Cont'd)



#### Foreign Currency Risk

Our Group is exposed to foreign currency fluctuations, primarily arising from sales and purchases being denominated in United States Dollars ("USD"). Adverse movements in the exchange rate may affect reported earnings, particularly in periods of heightened volatility influenced by global economic factors.

To manage this exposure, our Group utilises forward exchange contracts to hedge material foreign currency transactions. During FYE 2025, our Group increased the notional value of forward exchange contracts from RM11.15 million to RM16.42 million to proactively manage the heightened currency volatility during the financial year.



#### US Trade Policy and Tariff Risk

Our Group's revenue is significantly concentrated in the United States and Canada, which accounted for 67.6% of total revenue in FYE 2025. While the current imposition of US tariffs on Chinese-made gloves has benefited Malaysian glove manufacturers by redirecting demand, any future changes in US trade policy, including the imposition, removal or adjustment of tariffs, could materially affect our Group's competitive position and market access. Additionally, potential retaliatory tariffs or trade measures affecting Malaysian exports to the US would pose a direct risk to our Group's revenue base.

To mitigate this risk, our Group continues to monitor developments in global trade policies and assess their potential impact on our business operations.



#### Tax Litigation Risk

Our Group is currently subject to additional income tax assessments raised by the Inland Revenue Board ("IRB") on two (2) of our wholly-owned subsidiaries, Comfort Rubber Gloves Industries Sdn Bhd and Gallant Quality Sdn Bhd, amounting to additional net income tax of RM13.6 million and related penalties of RM85.7 million. Our Group has filed a judicial review and an appeal to the Special Commissioners of Income Tax, and does not admit to any liability on the additional assessments. As the court process remains ongoing, the outcome of this matter remains uncertain. An adverse ruling could have a material impact on our Group's financial position and cash flows.

For further details, please refer to the announcements made on Bursa Malaysia's website.

### PROSPECT AND OUTLOOK

Prior to the recent escalation of geopolitical tensions in the Middle East, the outlook for the rubber glove industry heading into 2026 had been showing encouraging signs of recovery. According to TA Securities Holding Berhad, global glove demand is projected to reach approximately 398 billion pieces in 2026, driven by increased healthcare consumption and the expansion of glove usage in non-medical sectors, including food and beverage, beauty and aesthetics, senior home care, and semiconductor industries. The Malaysian Rubber Glove Manufacturers Association ("MARGMA") has projected global demand growth of 4.0% to 6.0%, supported by normalised inventory levels and a more balanced supply-demand dynamic across the industry, with the inventory correction phase as largely complete.



## Management Discussion and Analysis (Cont'd)

### KEY RISKS RELATING TO OUR BUSINESS (Cont'd)

#### PROSPECT AND OUTLOOK (Cont'd)

This improving demand outlook is further supported by the increase in US tariffs on Chinese-made medical and surgical gloves, which were raised to 50% effective January 2025 and further escalated to 100% effective January 2026. These measures have significantly eroded the price competitiveness of Chinese-origin gloves in the US market. As US buyers increasingly shift their procurement to alternative sources, Malaysian glovemakers, including our Group, are well-positioned to capture incremental market share and benefit from a more supportive ASP environment.

However, the commencement of US-Israeli military operations against Iran on 28 February 2026 has introduced significant uncertainty to the near-term outlook. The disruption to shipping routes through the Strait of Hormuz, the sharp increase in global oil prices and the resulting impact on energy and raw material costs, particularly for synthetic rubber which is an oil derivative, may exert additional cost pressures on the Group's manufacturing operations. Global supply chain costs, including shipping and insurance premiums, have also risen materially. While the full extent of these developments remains uncertain, our Group is closely monitoring the situation and its potential implications for our business.

Notwithstanding these near-term uncertainties, our Group remains cautiously optimistic about the longer-term prospects for the industry, underpinned by structural demand drivers including an ageing population and heightened hygiene awareness. In response to the evolving operating environment, our Group will continue to align our operational strategies to capture emerging opportunities while strengthening our cost competitiveness. This includes prioritising higher margin specialty products and enhancing production efficiency through increased automation and artificial intelligence technologies, and strengthening the ESG-aligned manufacturing practices to meet the growing sustainability expectations from customers and regulators. Supported by disciplined cost management across all business functions, these initiatives are aimed at positioning our Group for a return to profitability as industry conditions improve.

#### DIVIDEND

The Company does not have any formal dividend policy currently. Any recommendation and declaration of dividends remain at the discretion of our Board, after taking into account factors such as our Group's operating cash flow position, capital expenditure requirements, overall financial performance and any other considerations deemed relevant by our Board from time to time.

No dividend was declared or paid for FYE 2025 as our Group continue to prioritise strengthening our business and operations to ensure sustainable long-term growth.



# Sustainability Statement

## About This Report

Comfort Gloves Berhad (CGB) is pleased to present its Annual Sustainability Statement for the financial year ended 31 December 2025. This statement reflects our continued commitment to integrating sustainability principles across our operations, governance, and decision-making processes, as we work to create long-term value for our stakeholders.

Sustainability remains central to how we build resilient operations by addressing technical challenges thoughtfully, driving innovation, and improving efficiency through practical and cost-effective solutions. Guided by these principles, CGB aspires to be a leading rubber glove manufacturer, delivering responsible and sustainable solutions that support our business, our people, and the communities we serve.

### Scope And Basis of Scope

This Sustainability Statement outlines the key sustainability performance and progress of Comfort Gloves Berhad (CGB) and its subsidiaries ("the Group") for the reporting period from 1 January 2025 to 31 December 2025. It highlights the Group's most material sustainability challenges and opportunities across our business operations in Malaysia.

### Reporting Frameworks and Standards

This Statement has been prepared in compliance with Bursa Malaysia's Listing Requirements, guided by Bursa Malaysia's Sustainability Reporting Guide (3rd Edition). It also incorporates references and select alignment from the International Financial Reporting Standards (IFRS) S1 and S2, Sustainability Accounting Standards Board (SASB) Standards, International Sustainability Standards Board (ISSB), FTSE4Good (F4GBM) and the UN Sustainable Development Goals (UNSDG).

### Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Sustainability Statement and the issues covered to our Sustainability department at [inquiry@comfortrubber.com](mailto:inquiry@comfortrubber.com).

## Statement Of Assurance

This Statement has undergone an internal validation and assurance process to ensure the accuracy, completeness, and reliability of the information disclosed. The review was conducted by the Group's internal teams. Third-party specialists were engaged to validate specific subject matters in accordance with established procedures. Looking ahead, the Group is exploring the adoption of external independent assurance in future reporting cycles to further strengthen credibility and alignment with global best practices.



# Sustainability Statement (Cont'd)

## Our Approach to Sustainability

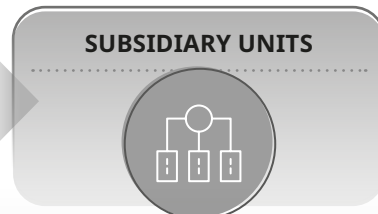
### Sustainability Governance

In 2025, the Group restructured its sustainability governance framework across all operations, with an enhanced emphasis on risk management and interdepartmental coordination. This restructuring resulted in the establishment of a revised sustainability governance structure, as outlined below.

Led by the Board of Directors, with oversight delegated to the Board Sustainability Committee, which is responsible for guiding and overseeing the Group's sustainability policies. The Chief Executive Officer is a member of the Board Sustainability Committee, ensuring strong leadership alignment and accountability.

Under the direction of the Chief Executive Officer, the Sustainability Team, together with senior management, translates sustainability policies into actionable strategies and oversees the implementation of initiatives across the Group's primary operations and subsidiary entities.

To further strengthen governance and oversight, the Group has established an Audit and Risk Management Committee to monitor the implementation, effectiveness, and deployment of sustainability initiatives across the organisation.





## Sustainability Statement (Cont'd)

ROLES	RESPONSIBILITIES
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>The principal body responsible for overseeing and governing all sustainability-related matters.</li> </ul>
<b>Board Sustainability Committee</b>	<ul style="list-style-type: none"> <li>Leads the Group's sustainability agenda by setting strategic direction and establishing policies on material sustainability matters, while driving organisation-wide integration of sustainability practices and fostering a strong sustainability-oriented culture.</li> <li>This committee is informed and guided by the CEO, who also provides updates and oversight to the full Board of Directors.</li> </ul>
<b>Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>Approve sustainability plans, including strategies and initiatives.</li> <li>Oversee the integration of sustainability and climate-related considerations into the Group's Risk Management (RM) framework.</li> <li>Advise the Board on sustainability strategies and monitor their implementation across the Group.</li> </ul>
<b>Sustainability Team</b>	<ul style="list-style-type: none"> <li>Develop and formulate sustainability strategies and initiatives.</li> <li>Drive consistent implementation across all business segments and locations.</li> <li>Identify and assess sustainability-related risks and opportunities.</li> <li>Review, evaluate, and refine implemented initiatives to enhance effectiveness.</li> <li>Develop and recommend sustainability-linked key performance indicators (KPIs) for performance evaluation.</li> <li>Oversee stakeholder engagement to ensure relevant concerns and expectations are incorporated into sustainability initiatives.</li> <li>Monitor compliance with and implementation of sustainability policies and initiatives.</li> <li>Track progress against sustainability objectives and identify opportunities for continuous improvement.</li> </ul>
<b>Subsidiary Units</b>	<ul style="list-style-type: none"> <li>Coordinate and support divisions in the management of material sustainability initiatives.</li> <li>Consolidate sustainability data and reporting across the Group.</li> <li>Bridge strategy and execution by ensuring local practices align with the Group's sustainability agenda and targets, while supporting the Sustainability Team in the implementation and monitoring of sustainability initiatives and performance.</li> </ul>
<b>Audit &amp; Risk Management Committee</b>	<ul style="list-style-type: none"> <li>Monitor the implementation, effectiveness, and deployment of sustainability initiatives across the organisation.</li> <li>Provide oversight feedback to the Chief Executive Officer, Sustainability Team, and subsidiary units.</li> <li>Review and validate sustainability data and outputs for disclosure and regulatory reporting purposes.</li> </ul>



# Sustainability Statement (Cont'd)

## Sustainability Framework

Comfort Gloves Berhad's Sustainability Framework has been strengthened to align closely with our business strategy and is guided by the Group's vision and mission. The framework is designed to meet stakeholder expectations, minimise environmental impact, and create positive outcomes for the communities in which we operate. It identifies four key priority areas, Economic, Operational, Environmental, and Social. Each with defined goals and focus areas. By addressing these priorities, we aim to drive long-term value creation and measurable impact.

### Vision

To be the market leader in providing safe gloves

### Mission

Making a difference where it matters

### Objectives

Ensure that all initiatives are sustainable  
Sustainability means balancing the following: People, Profits, Planet

### Key Pillars

#### Governance



Economic



Operational



Environmental



Social

### Themes

- Anti-Corruption • Community & Human Rights • Diversity • Energy Management •
- Health & Safety • Labour Practices & Standards • Supply Chain Management •
- Data Privacy & Security • Water • Waste Management • Emissions Management •
- Climate Change • Corporate Governance •

In alignment to:





# Sustainability Statement (Cont'd)

## Materiality Matters

As an organisation, we recognise that our material sustainability matters have both direct and indirect implications for our ability to create long-term value for our stakeholders. In 2025, we strengthened our sustainability framework by adopting an enhanced Economic, Operational, Environmental, and Social (EOES) structure, with Governance providing oversight across all pillars. This framework is further guided by the integration of FTSE4Good themes, which help inform and steer our approach to identifying and prioritising material sustainability matters.

During the year, we conducted a limited materiality review and assessment, engaging a range of key internal and external stakeholders to ensure that their perspectives, interests, and concerns were appropriately reflected. These inputs were considered across Economic, Environmental, Social, and Governance (EESG) dimensions, as well as within our enhanced EOES framework and the FTSE4Good thematic lens.

The insights gained from this exercise continue to inform our business strategy and guide the prioritisation and allocation of resources towards our most significant sustainability priorities. Looking ahead, we plan to undertake a comprehensive materiality assessment in FY2026 to fully align with the adoption of the National Sustainability Reporting Framework (NSRF) and to further strengthen our sustainability disclosures and decision-making.

## Materiality Assessment Process



### Identification

Identify potential sustainability related material topics

### Engagement

Stakeholder engagement to assess the significance and relevance of each material topics

### Priorization

Prioritization of sustainability-related material topics

### Review

Sustainability Committee reviews outcome of the materiality assessment

### Approval

Validated and approved by the Board of Directors





## Sustainability Statement (Cont'd)

### Materiality Matrix



- 1 Anti-Corruption
- 2 Community & Human Rights
- 3 Diversity
- 4 Energy Management
- 5 Health & Safety
- 6 Labour Practices & Standards
- 7 Supply Chain Management
- 8 Data Privacy & Security
- 9 Water
- 10 Waste Management
- 11 Emissions Management
- 12 Climate Change



## Sustainability Statement (Cont'd)

### Stakeholder Engagement

Comfort Gloves Berhad engages with a diverse range of stakeholder groups who either affect, or are affected by, the Group's operations and activities. Our key stakeholders include shareholders, regulators and government authorities, customers, employees, communities, suppliers, media, and the general public. These groups have been identified based on their varying levels of influence over, and dependence on, our business.

As a Group, we place strong emphasis on maintaining constructive and transparent communication with all stakeholder groups through both formal and informal channels. These engagements enable us to identify material sustainability issues, anticipate emerging opportunities and risks, and respond proactively to stakeholder expectations. This approach allows us to build trust, strengthen relationships, and foster meaningful collaboration.

Our business and functional units actively engage their respective stakeholders using appropriate platforms and escalate significant issues to the Sustainability Team and Board Sustainability Committee, ensuring that insights are considered at the highest level of decision-making.

The table below provides an overview of our key stakeholder groups, their primary forms of engagement, and the key topics of interest that guide our efforts to address their needs and expectations.

KEY STAKEHOLDER	ENGAGEMENT FOCUS AND OBJECTIVES	ENGAGEMENT METHOD	FREQUENCY
<b>Investors and Shareholders</b>	<ul style="list-style-type: none"> <li>Provide reliable, timely, and transparent disclosures on Comfort Gloves Berhad's material information.</li> <li>Strengthen shareholder confidence and foster long-term relationships.</li> </ul>	<ul style="list-style-type: none"> <li>Annual / Extraordinary General Meeting</li> <li>Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> </ul>
		<ul style="list-style-type: none"> <li>Corporate website update</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> </ul>
		<ul style="list-style-type: none"> <li>Interim and audited financial statements</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Ensure a safe, healthy, and inclusive workplace with equitable employment opportunities.</li> <li>Attract, develop, reward, and retain talent.</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisals and reviews</li> </ul>	<ul style="list-style-type: none"> <li>Yearly</li> </ul>
		<ul style="list-style-type: none"> <li>Regular communication, through both formal and informal channels.</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> </ul>
		<ul style="list-style-type: none"> <li>Ongoing training sessions</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Strengthen customer loyalty and build long-term, sustainable relationships.</li> <li>Ensure responsive service and customer satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>A dedicated team is assigned to manage customer service on a regular and ongoing basis.</li> </ul>	<ul style="list-style-type: none"> <li>Ad-hoc</li> </ul>
		<ul style="list-style-type: none"> <li>Website</li> </ul>	
		<ul style="list-style-type: none"> <li>After-sales service</li> </ul>	<ul style="list-style-type: none"> <li>Continuously</li> </ul>



## Sustainability Statement (Cont'd)

KEY STAKEHOLDER	ENGAGEMENT FOCUS AND OBJECTIVES	ENGAGEMENT METHOD	FREQUENCY
<b>Vendors and Suppliers</b>	<ul style="list-style-type: none"> <li>• Build transparent, ethical, and long-term partnerships with vendors and suppliers.</li> <li>• Ensure fair and responsible procurement and supplier engagement practices.</li> <li>• Communicate the organisation's policies on human rights and labour standards.</li> <li>• Ensure vendors and suppliers align with the organisation's environmental and social responsibility policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical practice</li> <li>• Transparent procurement process</li> <li>• Vendor audits</li> <li>• Supplier performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously</li> <li>• Yearly</li> </ul>
<b>Local Authorities and Regulators</b>	<ul style="list-style-type: none"> <li>• Ensure full compliance with applicable laws, guidelines, and regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory submissions</li> <li>• Compliance engagements</li> <li>• Meetings and inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Ad-hoc / as needed</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Communicate timely and accurate corporate updates to media personnel and across relevant media platforms.</li> <li>• Ensure content is dynamically edited and appropriately tailored to each communication platform.</li> <li>• Maintain a high standard of accuracy and reliability in all published information.</li> </ul>	<ul style="list-style-type: none"> <li>• Press Release</li> <li>• Media Interview</li> <li>• Public events</li> <li>• Interest Content</li> </ul>	<ul style="list-style-type: none"> <li>• Ad-hoc / as needed</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Contribute positively as a responsible corporate citizen.</li> <li>• Support community development and capacity-building initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>• CSR programmes</li> <li>• Public events</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously</li> </ul>



## Sustainability Statement (Cont'd)

### Management Approach For Material Matters

This section offers a comprehensive overview of the Group's approach to managing the identified material sustainability matters, in alignment with our enhanced Sustainability Framework, which encompasses four key priority areas: Economic, Operational, Environmental, and Social (EOES) and FTSE4Good themes.

We are committed to embedding sustainability into every aspect of our strategy and operations. Our approach is driven by a clear purpose: to create enduring long-term value while delivering meaningful, positive outcomes for our stakeholders and the wider communities in which we operate.

#### ANTI-CORRUPTION



##### Why It Matters

Anti-corruption is a cornerstone of good governance and reflects Comfort Gloves' commitment to sustainable business practices. By upholding the highest standards of integrity, we strengthen relationships with stakeholders, attract responsible investors, and enhance our resilience in navigating global challenges. Through the integration of anti-corruption measures across our policies, training programs, and supply chain management.

##### Our Approach

The Board and senior management are committed to conducting business with integrity, guided by our Code of Conduct and Business Ethics ("COC"). The COC outlines our fundamental principles and guidelines for all employees, including Directors, in addressing ethical issues and fulfilling their responsibilities. Our zero-tolerance stance against corruption is clearly stated in our Anti-Bribery and Anti-Corruption ("ABAC") Policy, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

All new employees undergo an induction programme that includes familiarisation with the Group's COC and ABAC policies. Employees also receive annual briefings to reinforce these guidelines, including the required practices and procedures.

Suppliers are similarly required to comply with ethical conduct and anti-bribery and anti-corruption standards, as set out in the COC for Third Parties and the ABAC. All suppliers are required to sign a declaration affirming their commitment to uphold these guidelines and policies in their business dealings with Comfort Gloves Berhad.

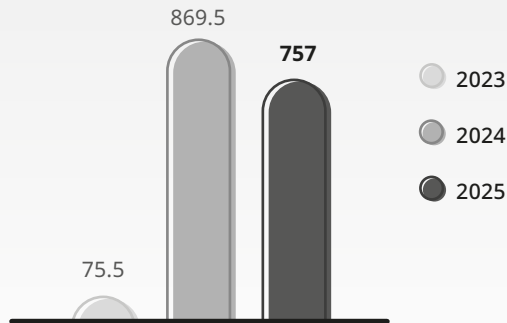
We have established a dedicated whistleblowing channel under the Whistleblowing Policy, allowing employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. The Group has made our COC, ABAC, and Whistleblowing Policies readily accessible on our corporate website at <https://comfortrubber.com/investor-relations/corporate-governance> to ensure they are available to all stakeholders.



## Sustainability Statement (Cont'd)

### Our Performance

Total training hours

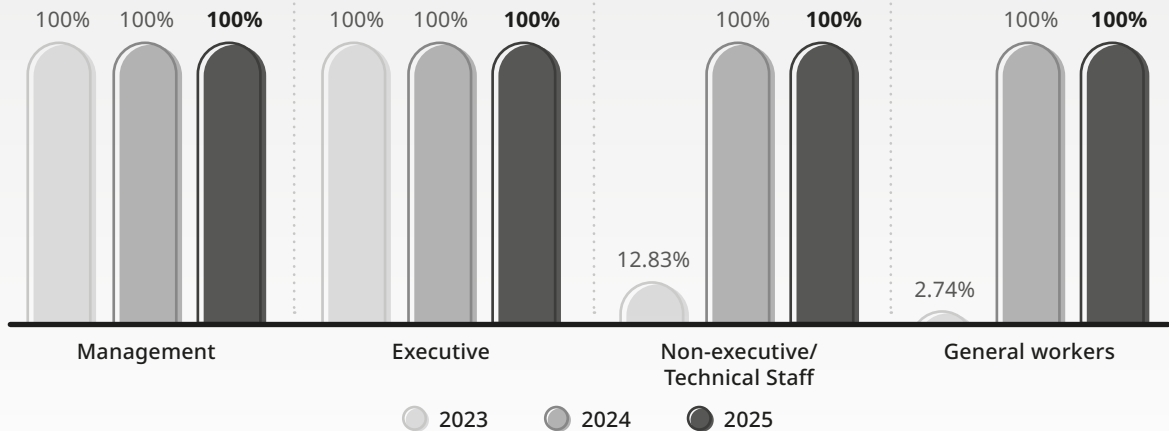


#### EMPLOYEE TRAINING IN ABAC

#### YEAR

	2023	2024	2025
Number of employees participated in ABAC training	151	1,739	<b>1,514</b>
Total training hours	75.5	869.5	<b>757</b>

Percentage of employees who have received training on ABAC



#### EMPLOYEE TRAINING IN ABAC

#### YEAR

Percentage of employees who have received training on ABAC

	2023	2024	2025
• Management	100%	100%	<b>100%</b>
• Executive	100%	100%	<b>100%</b>
• Non-executive/Technical Staff	12.83%	100%	<b>100%</b>
• General workers	2.74%	100%	<b>100%</b>



# Sustainability Statement (Cont'd)

YEAR	2023	2024	2025
Percentage of operations assessed for corruption-related risks	100%	100%	100%
Confirmed incidents of corruptions and action taken	0	0	0

All employees successfully completed the required training programmes for the financial year 2025, ensuring that they are well-equipped with the necessary knowledge and skills related to ABAC.

## COMMUNITY & HUMAN RIGHTS



### Why It Matters

Strong community engagement strengthens Comfort Gloves' social licence to operate and supports our long-term resilience. By aligning our business practices with fundamental human rights principles and community-focused initiatives, we foster meaningful relationships and positive social outcomes.

Through this approach, we create shared value with our stakeholders, enabling both the organization and communities we serve to grow and thrive together. This commitment promotes inclusivity, social progress, and respect for fundamental rights, while also supporting business continuity and sustainable growth.

### Our Approach

Throughout the financial year, we actively contribute to local initiatives as part of our commitment to supporting the communities in which we operate. These initiatives include programs aimed at improving education, environment, and social well-being, as well as providing assistance to vulnerable groups. This sustained engagement reflects our belief that thriving communities are essential for long-term shared success.

### Community

Comfort Gloves' community investments are underpinned by our community engagement principles of Respect, Transparency and Mutual Benefit. These principles guide our key focus areas of Environment, Social and Education that are linked to the Group's business strategy of building long-term local community partnerships.



## Sustainability Statement (Cont'd)

### Employee Volunteering

This year 2025, we have initiated our employee community volunteer program that will empower our employees to directly engage with the communities we serve.

#### YEAR 2025

LIST OF ACTIVITIES (FOR THE COMMUNITY)	PRODUCT & SERVICE DELIVERED TO THE COMMUNITY	PARTICIPANTS	HOW MUCH SPENT (RM)
Aid (eg. food, natural disaster support, etc)	<ul style="list-style-type: none"> <li>Walk Clean Community Program (after flood Gotong Royong)</li> </ul>	<ul style="list-style-type: none"> <li>156</li> </ul>	<ul style="list-style-type: none"> <li>RM 10,023</li> </ul>
Community engagement & entertainment (eg. festival celebration, gotong-royong)	<ul style="list-style-type: none"> <li>CNY CSR</li> </ul>	<ul style="list-style-type: none"> <li>100</li> </ul>	<ul style="list-style-type: none"> <li>RM 10,000</li> </ul>
	<ul style="list-style-type: none"> <li>Hari Raya CSR</li> </ul>	<ul style="list-style-type: none"> <li>110</li> </ul>	<ul style="list-style-type: none"> <li>RM 15,000</li> </ul>
	<ul style="list-style-type: none"> <li>Majlis Iftar Community</li> </ul>	<ul style="list-style-type: none"> <li>100</li> </ul>	<ul style="list-style-type: none"> <li>RM 1,000</li> </ul>
	<ul style="list-style-type: none"> <li>Deepavali CSR</li> </ul>	<ul style="list-style-type: none"> <li>100</li> </ul>	<ul style="list-style-type: none"> <li>RM 10,000</li> </ul>
Infrastructure support (eg. building mosque, bus stop, school, community centre etc)	<ul style="list-style-type: none"> <li>Back to School CSR - Pre School</li> </ul>	<ul style="list-style-type: none"> <li>48</li> </ul>	<ul style="list-style-type: none"> <li>RM 12,000</li> </ul>
	<ul style="list-style-type: none"> <li>Special needs School</li> </ul>	<ul style="list-style-type: none"> <li>80</li> </ul>	<ul style="list-style-type: none"> <li>RM 5,000</li> </ul>
	<ul style="list-style-type: none"> <li>Trap, Neuter &amp; Release</li> </ul>	<ul style="list-style-type: none"> <li>12/a</li> </ul>	<ul style="list-style-type: none"> <li>RM 5,000</li> </ul>
	<ul style="list-style-type: none"> <li>Zoo Taiping Malayan Tiger Adoption</li> </ul>	<ul style="list-style-type: none"> <li>1/a</li> </ul>	<ul style="list-style-type: none"> <li>RM 10,000</li> </ul>
	<ul style="list-style-type: none"> <li>Community Surau Upgrading</li> </ul>	<ul style="list-style-type: none"> <li>70</li> </ul>	<ul style="list-style-type: none"> <li>RM 5,000</li> </ul>
	<ul style="list-style-type: none"> <li>2 unit water cooler for school</li> </ul>	<ul style="list-style-type: none"> <li>185</li> </ul>	<ul style="list-style-type: none"> <li>RM 4,600</li> </ul>
	<ul style="list-style-type: none"> <li>3 units of Smart TV for nearby school</li> </ul>	<ul style="list-style-type: none"> <li>430</li> </ul>	<ul style="list-style-type: none"> <li>RM 9,347</li> </ul>
	<ul style="list-style-type: none"> <li>Table and chairs for pre school</li> </ul>	<ul style="list-style-type: none"> <li>48</li> </ul>	<ul style="list-style-type: none"> <li>RM 3,030</li> </ul>
<b>Total</b>		<ul style="list-style-type: none"> <li><b>1,427</b></li> </ul>	<ul style="list-style-type: none"> <li><b>RM 100,000</b></li> </ul>

\*Note: /a denotes per animal and is not included in total participants



# Sustainability Statement (Cont'd)

## Focus on Children's Rights

As part of our commitment to advancing the principles of the United Nations Convention on the Rights of the Child (UNCRC), Comfort Gloves places strong emphasis on supporting children's education. Key initiatives include back-to-school contributions and the Home Reading Corner Competition, which aim to encourage learning and create positive educational opportunities for children.

### YEAR 2025

LIST OF ACTIVITIES (CHILDREN SPECIFIC)	PRODUCT & SERVICE DELIVERED TO THE COMMUNITY	QUANTITY	HOW MUCH SPENT (RM)
Education	• Back to School CSR - Pre School	• 48	• RM 12,000
Healthcare	-	-	-
Play and playgrounds	• Table and chairs for pre school	• 48	• RM 3,030
Food aid	• 2 units of water cooler for school	• 185	• RM 4,600



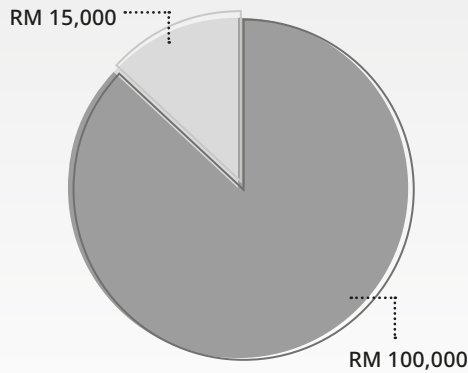


# Sustainability Statement (Cont'd)

## Human Rights

Comfort Gloves is committed to comply with all applicable national and local laws and regulations, as well as the International labour standards. Comfort Gloves shall align with the requirements as stipulated in the Ethical Trading Initiative (ETI) Base Code, International Labour Organization (ILO) and ILO Indicators of Forced Labour, Worldwide Responsible Accredited Production (WRAP) 12 Principles, UN Guiding Principles on Business and Human Rights and the 10 UN Global Compact Principles, and respects human rights as set out in the Universal Declaration of Human Rights (UNDR).

## Our Performance



YEAR 2025	AMOUNT
● Total amount invested in the community where the target beneficiaries are external to the listed issuer (RM)	RM 100,000
<hr/>	
Total number of beneficiaries of the investment in communities	1,459
<hr/>	
● Total Amount of corporate or group donations/community investments made to registered not-for-profit organisations (RM)	RM 15,000

In 2025, the Group allocated RM100,000 to support community and child-focused initiatives within the communities it serves. These contributions supported programmes such as the Walk Clean Community Programme, as well as festive outreach activities during Chinese New Year, Hari Raya, Majlis Iftar and Deepavali, among others. Looking ahead, the Group intends to further strengthen its community engagement efforts by expanding its outreach and introducing more dynamic and impactful initiatives to create lasting social value.





# Sustainability Statement (Cont'd)

## DIVERSITY



Target 5.1, 5.5, 5.a, 8.5, 8.8, 10.2

### Why It Matters

Focusing on diversity, equity, and inclusion is essential for Comfort Gloves to build a stronger, more innovative, and resilient organization. A diverse workforce brings together a broad range of perspectives, experiences, and skills, fostering creativity and more effective decision-making. By prioritizing equity, we ensure fair opportunities for all employees, while an inclusive culture empowers individuals to feel valued and contribute at their fullest potential. This commitment also reflects the principles that our stakeholders, investors and communities rightfully expect.

### Our Approach

The Group cultivates a dynamic and inclusive workforce that values diversity in cultural backgrounds, skills and experiences. We believe that this environment fosters creativity, enhances productivity, and drives business growth and sustainability.

We promote equity through policies and practices grounded in fairness and inclusiveness, endorsed by leadership and embedded across all levels of the organisation, from senior management to operational staff. Our recruitment and candidate selection processes are based strictly on merit and fairness. All employees are treated with equal respect and afforded equal opportunities, regardless of race, religion, gender, age, sexual orientation, disabilities, nationality, ethnic origin, colour, maternity status, marital status, health status, union membership, political orientation, and etc.

For further information on Comfort Gloves' employee management and engagement, please read our Labour Practices and Standards section in this Sustainability Statement.

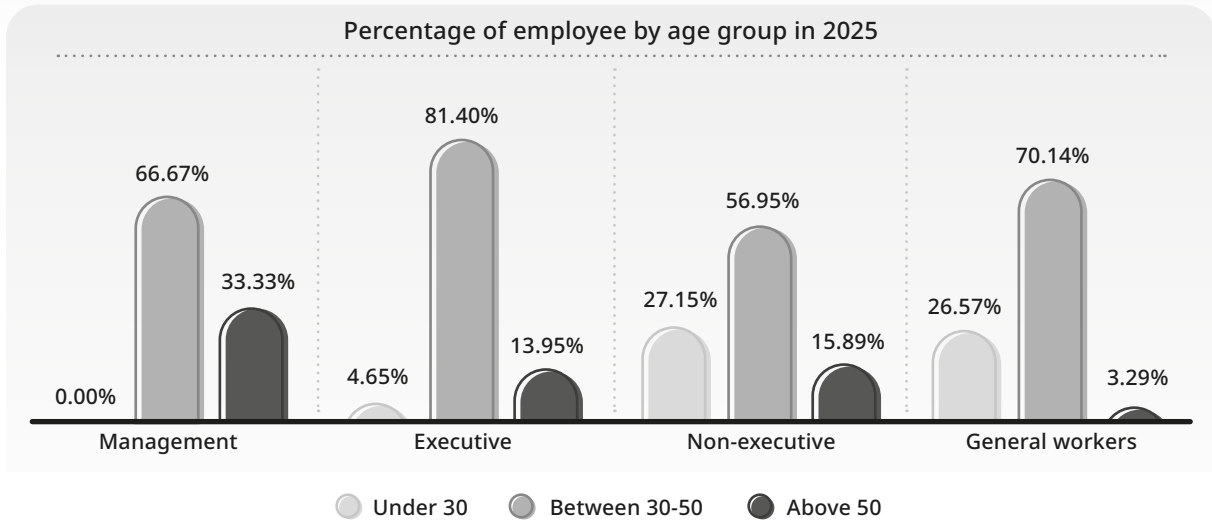
**We promote equity through policies and practices grounded in fairness and inclusiveness, endorsed by leadership and embedded across all levels of the organisation, from senior management to operational staff.**





## Sustainability Statement (Cont'd)

### Our Performance



### PERCENTAGE OF EMPLOYEE BY GENDER AND AGE GROUP

#### YEAR

2024

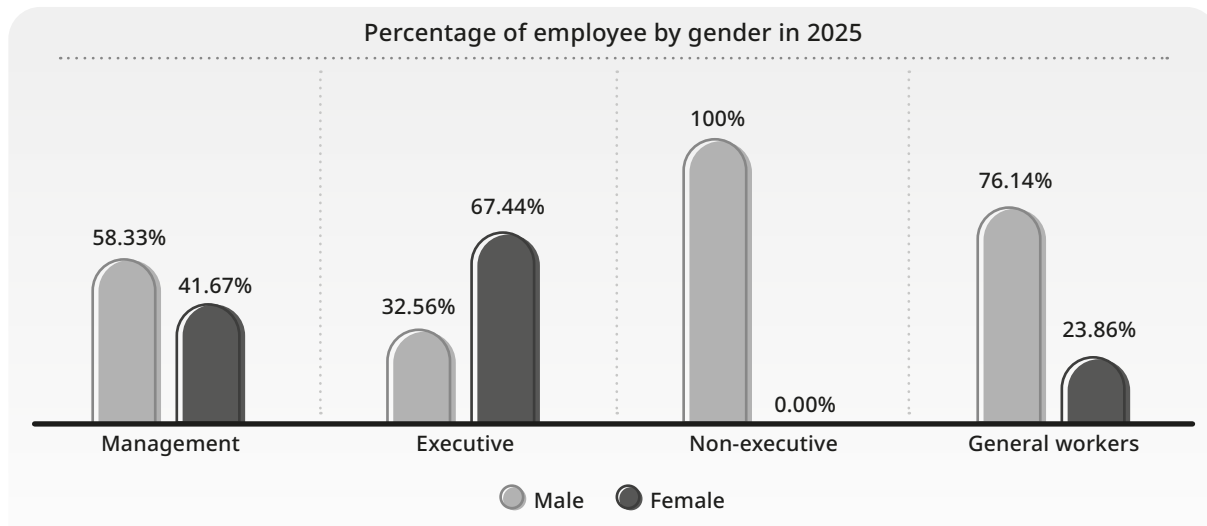
2025

#### Age Group by Employee Category

• Management Under 30	0.00%	<b>0.00%</b>
• Management Between 30-50	70.97%	<b>66.67%</b>
• Management Above 50	29.03%	<b>33.33%</b>
• Executive Under 30	18.97%	<b>4.65%</b>
• Executive Between 30-50	67.24%	<b>81.40%</b>
• Executive Above 50	13.79%	<b>13.95%</b>
• Non-executive/Technical Staff Under 30	35.93%	<b>27.15%</b>
• Non-executive/Technical Staff Between 30-50	46.88%	<b>56.95%</b>
• Non-executive/Technical Staff Above 50	17.19%	<b>15.89%</b>
• General Workers Under 30	33.52%	<b>26.57%</b>
• General Workers Between 30-50	63.52%	<b>70.14%</b>
• General Workers Above 50	2.96%	<b>3.29%</b>



## Sustainability Statement (Cont'd)



### PERCENTAGE OF EMPLOYEE BY GENDER AND AGE GROUP

#### YEAR

2024

2025

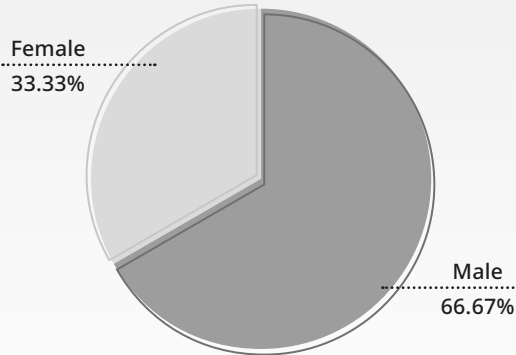
#### Gender Group by Employee Category

• Management Male	58.06%	<b>58.33%</b>
• Management Female	41.94%	<b>41.67%</b>
• Executive Male	32.76%	<b>32.56%</b>
• Executive Female	67.24%	<b>67.44%</b>
• Non-executive/Technical Staff Male	55.73%	<b>100%</b>
• Non-executive/Technical Staff Female	44.27%	<b>0%</b>
• General Workers Male	75.60%	<b>76.14%</b>
• General Workers Female	24.40%	<b>23.86%</b>

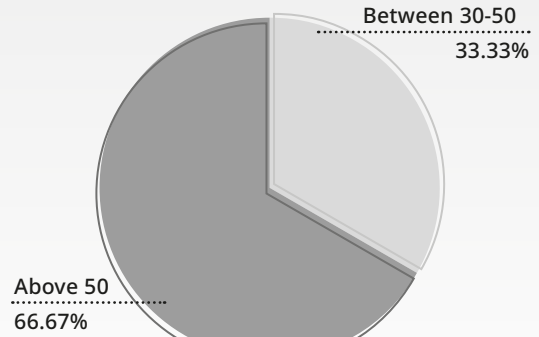


## Sustainability Statement (Cont'd)

Percentage of directors by gender



Percentage of directors by age group



### PERCENTAGE OF DIRECTORS BY GENDER AND AGE GROUP

	YEAR	
	2024	2025
• Male	66.67%	<b>66.67%</b>
• Female	33.33%	<b>33.33%</b>
• Under 30	0.00%	<b>0.00%</b>
• Between 30-50	33.33%	<b>33.33%</b>
• Above 50	66.67%	<b>66.67%</b>

Our continuous efforts to promote inclusion and diversity are reflected in the data presented above for the financial year 2025. We remain committed to fostering a workplace that values and respects individuals from all backgrounds, ensuring equal opportunities across gender, age, and experience. Through fair recruitment practices, inclusive leadership development, and employee engagement initiatives.





# Sustainability Statement (Cont'd)

## ENERGY MANAGEMENT



### Why It Matters

By optimizing energy consumption and enhancing efficiency, Comfort Gloves seeks to lower greenhouse gas emissions, conserve resources, and minimize our impact on climate change. These efforts also contribute to cost savings, while strategic investments in renewable energy and energy-efficient technologies strengthen our resilience against rising energy costs.

### Our Approach

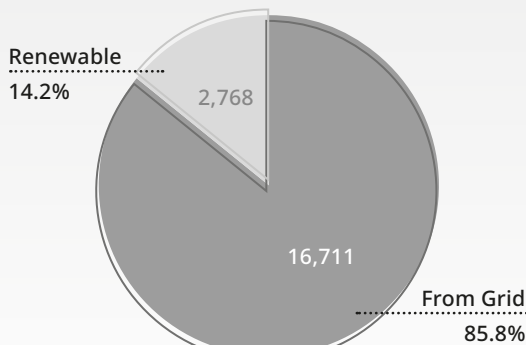
The Group is committed to the efficient use of resources and energy to minimise environmental impact and promote sustainability.

A series of initiatives have been implemented aimed at reducing electricity consumption from the grid and improving overall energy efficiency across our operations. These measures reflect a proactive approach to optimising energy use while supporting long-term operational sustainability.

Key initiatives include the continuous upgrading to energy-efficient lighting and equipment, the replacement of Infrared (IR) burners with more efficient PT burners, and the installation of new boilers designed to optimise gas consumption. In addition, a solar photovoltaic (PV) system has been installed on the factory rooftop to generate renewable energy and further reduce reliance on grid electricity.

### Our Performance

Total Energy Consumption (MWh)



Group's Total Energy Consumption

YEAR	2023	2024	2025
From grid	15,424	20,791	<b>16,711</b>
Renewable	2,616	3,043	<b>2,768</b>
<b>Total energy consumption (MWh)</b>	<b>18,040</b>	<b>23,834</b>	<b>19,479</b>

In 2025, the Group recorded a reduction in overall energy consumption to 19,479 MWh. Grid electricity usage decreased to 16,711 MWh, while renewable energy generation totalled 2,768 MWh. This reduction reflects ongoing efforts to improve energy efficiency and optimize operational energy use, while continuing to incorporate renewable energy sources into the Group's energy mix as part of its commitment to more sustainable operations.



# Sustainability Statement (Cont'd)

## HEALTH AND SAFETY



### Why It Matters

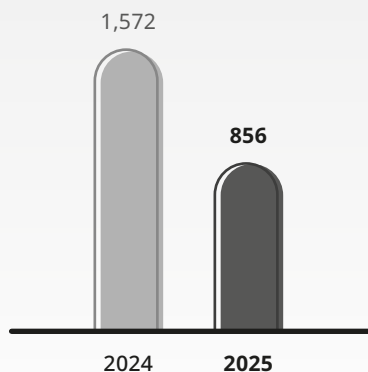
At Comfort Gloves, our people are our most valuable asset, and their health and safety are central to our long-term resilience. By fostering a safe and healthy working environment, we care for our employees' well-being while reducing the risk of accidents, injuries, and occupational illnesses supporting not only a safer workplace, but also stronger morale and productivity.

### Our Approach

We enforce rigorous health and safety measures across all levels of our workforce, guided by our dedicated Occupational Health, Safety and Environment (OSHE) team. Our operations are underpinned by a comprehensive Safety and Health Policy that not only complies with but surpasses the requirements of the Occupational Safety and Health Act (OSHA). Central to this commitment is an emphasis on continuous safety training and proactive initiatives to minimize workplace incidents.

### Our Performance

Number of employees trained on health and safety standards



YEAR	2023	2024	2025
Number of work-related injuries	10	9	<b>10</b>
Number of work-related fatalities	0	0	<b>0</b>
Lost time incident rate	0.29	0.26	<b>0.34</b>
Total number of staff	1,464	1,504	<b>1,259</b>
Number of employees trained on health and safety standards	-	1,572	<b>856</b>

Our ongoing commitment to employee health and safety is demonstrated through the sustained investment in training hours across the Group.

In the financial year 2025, the Group recorded zero work-related fatalities and achieved an overall uptick in the lost-time incident rate. We remain steadfast in fostering a safe and healthy workplace through continuous training, proactive risk prevention measures, and active employee participation in safety processes.



# Sustainability Statement (Cont'd)

## LABOUR PRACTICES AND STANDARDS



Target 8.5, 8.6, 8.7

### Why It Matters

The Group prioritises attracting, developing, and retaining top talent while fostering a supportive and empowering work environment. This is enhanced with our robust labour policies and practices.

### Our Approach

The organization prioritizes labour policies and practices that meet regulatory requirements and international standards with clear expectations for both employees and external stakeholders in upholding human and labour rights across all business dealings with Comfort Gloves.

To support our commitments and translate them into meaningful action, we have implemented a range of key initiatives, outlined below:

#### 1 Child and forced labour policy

Comfort Gloves is firmly committed to preventing forced labour and child labour across our operations and supply chain. We uphold responsible employment practices, comply with applicable labour laws, and work closely with our partners to promote fair, ethical, and safe working conditions. Through clear policies, regular awareness, and due diligence processes, we seek to protect human dignity and ensure that everyone involved in our business is treated with respect and care.

The organization has documented its principles, standards and system in the CHR Procedure Manual (Prohibition of Child Labour and Young Employee Issue 2 Revision 1, 2022) and CHR Procedure Manual (Prohibition of Forced Labour Issue 2 Revision 0, 2021).

#### 2 Workforce Diversity

The organisation formalised its principles and practices through the adoption of a Diversity Policy in May 2024. The policy sets out the organisation's commitment to building a highly qualified and diverse Board and Senior Management Team, with the aim of strengthening leadership effectiveness and enabling more informed, balanced, and insightful decision-making that will address workforce diversity more broadly and affirms the organisation's commitment to non-discriminatory practices across all employment matters, including those related to race, religion, gender, age, disability, and nationality.



## Sustainability Statement (Cont'd)

### 3 Freedom of Association

The Group respects and supports the individual rights of all employees with regard to freedom of association and collective bargaining. We have established procedures that ensure employees are able to freely join or form trade unions or workers' committees, in accordance with applicable local laws and regulations.

### 4 Secure and sustainable employment

The Group is committed to complying with all applicable laws and regulations, including the Malaysia Employment Act 2022. We uphold fair employment practices by adhering to statutory minimum wage requirements and observing maximum allowable working hours, ensuring a respectful and compliant working environment for all employees.

### 5 Labour Standards & Commitment

The organization is committed to International Labour Organization (ILO) fundamental principles and rights at work and the UN SDG 8 Decent Work and Economic Growth. And strives to embed sustainability in every initiative undertaken. To this end, we have strategically mapped UN Sustainable Development Goals (SDGs) to all our material sustainability matters, and developed corresponding initiatives accordingly.

In 2025, senior staff have undergone specialised sustainability training workshops to identify and incorporate UN SDGs goals and targets into current business operations and practices company wide.

We are committed to fair and equitable remuneration practices, guided by the principle of equal pay for equal work, with remuneration decisions based on merit.

### 6 Employment for marginalized community

The organisation invests in youth skills development and employment through apprenticeship programmes that support up to six apprentices annually, as well as active participation in recruitment fairs. In addition, we are developing tailored job opportunities for underprivileged groups with limited formal education or qualifications, supported by structured on-the-job training to build practical skills and long-term employability.

### 7 Labour Policy Employee engagement

Our organisation's labour standards policy is communicated globally to all employees and made accessible through translations into relevant local languages. This approach ensures that employees, regardless of location or language, are able to understand their rights, responsibilities, and the standards we uphold across our operations.

To further support clarity and engagement, multilingual worker briefings and reviews are conducted to reinforce understanding and encourage open dialogue. These efforts help ensure that labour standards are consistently understood, respected, and applied in practice, fostering a fair, inclusive, and supportive working environment.

### 8 Employment Risk Assessment

All projects and facilities conduct employment risk assessments as part of the organisation's broader due diligence process to identify and address potential labour-related issues, taking into account community context, regional and location-specific factors, as well as applicable local customs and regulatory requirements.



## Sustainability Statement (Cont'd)

### 9 Labour Compliance

For the financial year ended 31 December 2025, the Group did not receive any complaints relating to human rights violations or non-compliance with labour standards across its operations. This outcome reflects our continued focus on upholding responsible employment practices and maintaining a respectful and safe working environment for all employees.

While we are encouraged by this result, the Group remains committed to ongoing vigilance and continuous improvement. We continue to strengthen our policies, awareness programmes, and reporting mechanisms to ensure that concerns can be raised safely and addressed promptly, reinforcing our commitment to protecting human rights and labour standards throughout our organisation.



FYE 2025

**ZERO COMPLAINTS**

### 10 Employee Safety

As part of our whistleblowing policy, individuals may submit a whistleblowing report if they become aware of any actual or suspected wrongdoing, including, but not limited to, matters such as sexual harassment, bullying, forced overtime, managerial overreach and etc.

Reports submitted anonymously will be handled with strict confidentiality. Individuals making anonymous reports will be informed that maintaining anonymity may limit the organisation's ability to conduct a thorough investigation. Notwithstanding this, anonymity will be preserved to the extent permitted by law, unless the individual subsequently indicates that they no longer wish to remain anonymous.

Managers undergo annual human resources and employee engagement training that covers key topics such as sexual harassment, bullying, and other forms of misconduct, as well as the procedures for receiving, managing, and responding to reports of such matters.

### 11 Employee Development

Recognising that employee learning and personal development are vital to our success, the Group provides continuous training opportunities to enhance employee knowledge and skills.

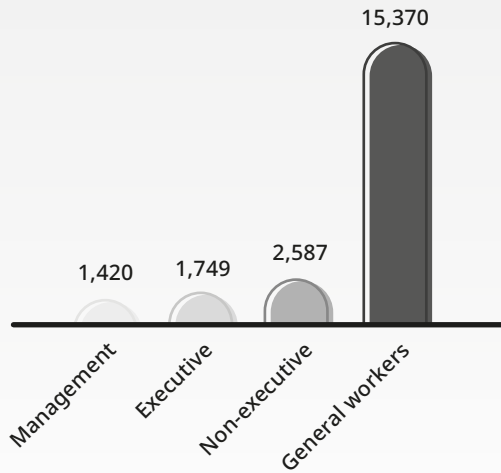




## Sustainability Statement (Cont'd)

### Our Performance

Total hours of training by employee category in 2025



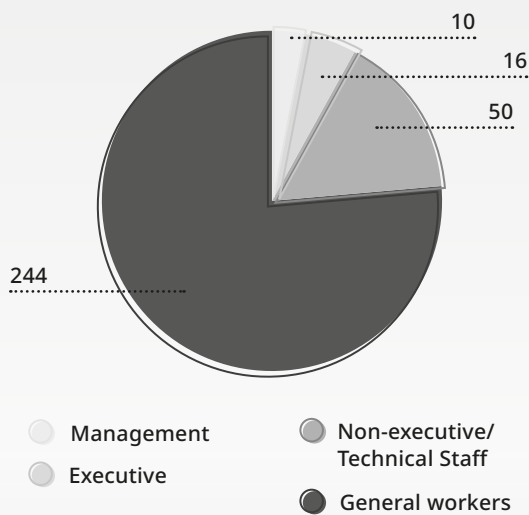
YEAR	2024	2025
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Total hours of training by employee category

• Management	2,249	<b>1,419.5</b>
• Executive	3,218	<b>1,749</b>
• Non-executive/ Technical Staff	3,717	<b>2,587</b>
• General workers	13,439	<b>15,370</b>

Percentage of employees that are contractors or temporary staff	0%	<b>0%</b>
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Total number of employee turnover by category in 2025



YEAR	2024	2025
------	------	------

Total number of employee turnover by employee category

• Management	1	<b>10</b>
• Executive	8	<b>16</b>
• Non-executive/ Technical Staff	40	<b>50</b>
• General workers	166	<b>244</b>

Number of substantiated complaints concerning human rights violations	0	<b>0</b>
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# Sustainability Statement (Cont'd)

YEAR	2023	2024	2025
Full time staff voluntary turnover rates (%)	1.8%	1.2%	<b>1.9%</b>
Percentage of employees that are contractors or temporary staff (%)	-	-	-
Percentage of global staff with a disability (%)	-	-	-
Percentage of women in the global workforce	-	29%	<b>33%</b>

In 2025, the Group remained committed to strengthening workforce capability and upholding responsible employment practices across all levels of the organisation. A total of 21,125.5 training hours were recorded, with 1,419.5 hours undertaken by Management, 1,749 hours by Executive staff, 2,587 hours by Non-executive/Technical staff, and 15,370 hours by General Workers, reflecting continuous investment in employee development.

All employees within the Group’s workforce were full-time personnel, with contractors or temporary staff accounting for 0% of the workforce.

During the year, employee turnover totalled 320 individuals, comprising 10 Management staff, 16 Executives, 50 Non-executive/Technical staff, and 244 General Workers. The Group had zero substantiated complaints concerning human rights violations reported throughout the year.

## SUPPLY CHAIN MANAGEMENT



Target 8.3, 8.4, 9.2, 9.b, 10.1, 12.2

### Why It Matters

Comfort Gloves believes a well-managed supply chain minimizes waste, reduces emissions and promotes responsible sourcing practices that safeguard ecosystems and conserve natural resources. It also supports local businesses, contributing to economic growth within the communities where we operate. From our business perspective, effective supply chain management strengthens stakeholder trust, drives cost efficiencies, and enhances long-term competitiveness.

### Our Approach

We place strong commitment on supporting local businesses and fostering economic growth within the communities where we operate. In line with this, we prioritize sourcing from local suppliers and creating business opportunities for small and medium enterprises (SMEs) and also energizing job creation.

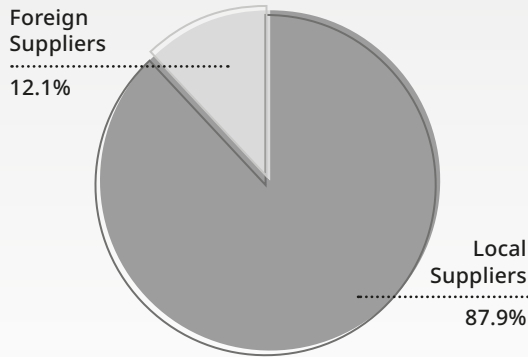




# Sustainability Statement (Cont'd)

## Our Performance

Proportion of spending on supply chain



YEAR 2023 2024 2025

YEAR	2023	2024	2025
Proportion of spending on local suppliers (%)	90.32%	88.52%	<b>87.93%</b>

As of the financial year 2025, supplier-related expenditures continued to reflect a strong emphasis on local procurement, with 87.93% of sourcing derived from the domestic supply chain. This commitment underscores our priority in fostering partnerships with local suppliers, thereby strengthening Malaysia's supply chain ecosystem and supporting national economic resilience.

## DATA PRIVACY AND SECURITY



### Why It Matters

Digital infrastructure and communication is integral to modern business operations, Comfort Gloves recognises the importance of strong cybersecurity and data privacy practices. We place a high priority on protecting sensitive information, ensuring the security of data belonging to both internal and external stakeholders throughout our operations.

### Our Approach

Comfort Gloves continues to enhance its cybersecurity measures through strict adherence to our Data Privacy Policy, which is designed in line with the Personal Data Protection Act (PDPA) 2010 and the Personal Data Protection Standards. We maintain a comprehensive cybersecurity framework that is fully integrated into our operations and processes, ensuring the protection of sensitive data and the resilience of our digital infrastructure.

### Our Performance

YEAR 2023 2024 2025

YEAR	2023	2024	2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	<b>0</b>

There were no reported data breaches throughout 2025. Moving forward, we plan to enhance and update our security practices in the coming months to further strengthen our digital resilience and safeguard stakeholder information.





# Sustainability Statement (Cont'd)

## WATER

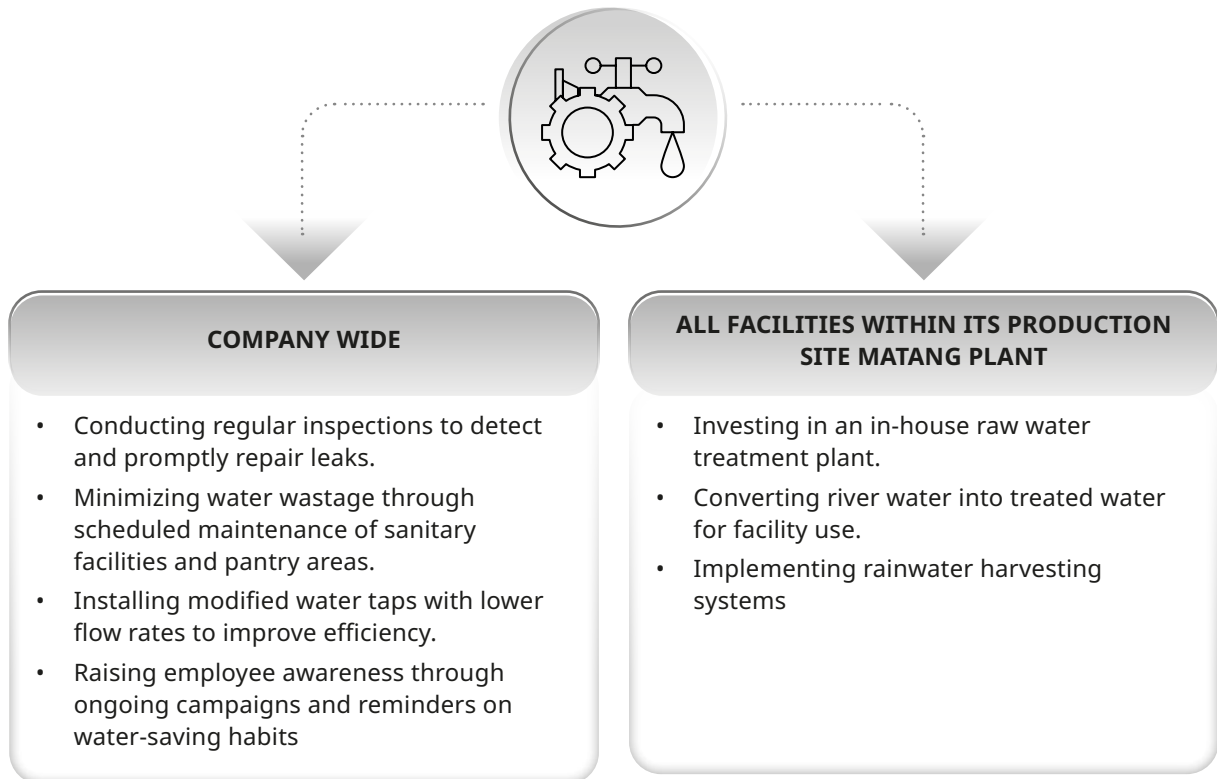


### Why It Matters

Responsible water use is essential to protecting ecosystems, preserving biodiversity, and ensuring the availability of clean water for surrounding communities. As a Group, we recognize that while our operations may consume comparatively less water than other production industries, our commitment to conserving this vital resource contributes meaningfully to addressing the nation’s broader water scarcity challenges.

### Our Approach

Located in Taiping, Perak, Comfort Gloves Berhad operates six facilities intermittently across its production complexes in Matang and Simpang. In response to water security considerations, the Group has implemented a range of targeted initiatives split into 2 categories. One applied to production sites and facilities. And company wide policies to reduce water consumption. This including as follows:





## Sustainability Statement (Cont'd)

According to the World Resources Institute (WRI), our operating region is currently classified as having low water stress, which renders certain water risk mitigation measures a lower priority at present. Nevertheless, we recognise projections indicating a potential shift to high water stress by 2030. Accordingly, we engage with local stakeholders, including Jabatan Bekalan Air (JBA), Lembaga Air Perak, and surrounding communities, to obtain feedback and proactively address potential future water-related risks.

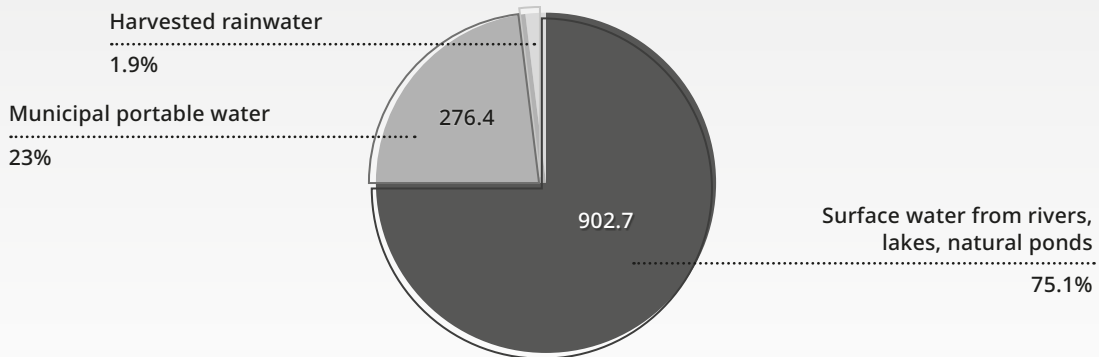
Comfort Gloves Berhad actively participates in local water conservation initiatives inline with Jabatan Alam Sekitar Negeri Perak requirements and holds the requisite permits to discharge treated water output into designated waterways in compliance with regulatory requirements.

The Group also maintains ongoing engagement with neighbouring operating sites to address environmental practices and related matters, fostering collaboration, and responsible environmental stewardship.

In 2025, Comfort Gloves Berhad invested a total of RM 1,618,638.30 in the operation of its water treatment plant, which treated approximately 902.7 Megalitres of riverwater, as well as in its rainwater harvesting system, which collected and redistributed approximately 23.1 Megalitres of rainwater for use across its facilities. In addition, the Group invested in research and development activities aimed at mitigating water-related risks such as water contamination elimination protocols into river streams.

### Our Performance

Total water withdrawal by source in 2025 (in Megalitres)



#### YEAR

2025

Total volume of water used (in Megalitres)

1,202.2

Total riverwater treated (in Megalitres)

902.7



## Sustainability Statement (Cont'd)

YEAR	2025
Total water discharge data is disclosed by destination (in Megalitres)	
• Ocean total discharge	0
• Surface Water total discharge	1,362.8
• Subsurface / well total discharge	0
• Off-site water treatment total discharge	0
• Beneficial / other use total discharge	0
• Total discharge	1,362.8
Total water withdrawal data is disclosed by source (in Megalitres)	
• Surface water from rivers, lakes, natural ponds	902.7
• Groundwater from wells, boreholes	0
• Used quarry water collected in the quarry	0
• Municipal portable water	276.4
• External wastewater	0
• Harvested rainwater	23.1
• Sea water, water extracted from the sea or the ocean	0
• Total	1,202.2

In FY2025, the Group recorded a total water consumption of 1,202.2 megalitres across its operations. Treated river water remained the primary source of supply to support operational needs, complemented by additional sources including municipal water and rainwater harvesting. By adopting a diversified water sourcing approach, the Group continues to optimise water resource management while gradually reducing reliance on conventional water supplies.



# Sustainability Statement (Cont'd)

## WASTE MANAGEMENT



Target 11.6, 12.4, 12.5, 13.3, 14.1

### Why It Matters

We prioritize reducing the environmental impact of our operations and conserving resources in support of the transition toward a circular economy. To this end, we have implemented strategies to minimize waste generation across our offices and operational sites, with a focus on enhancing recycling efforts and ensuring the responsible management of waste disposal.

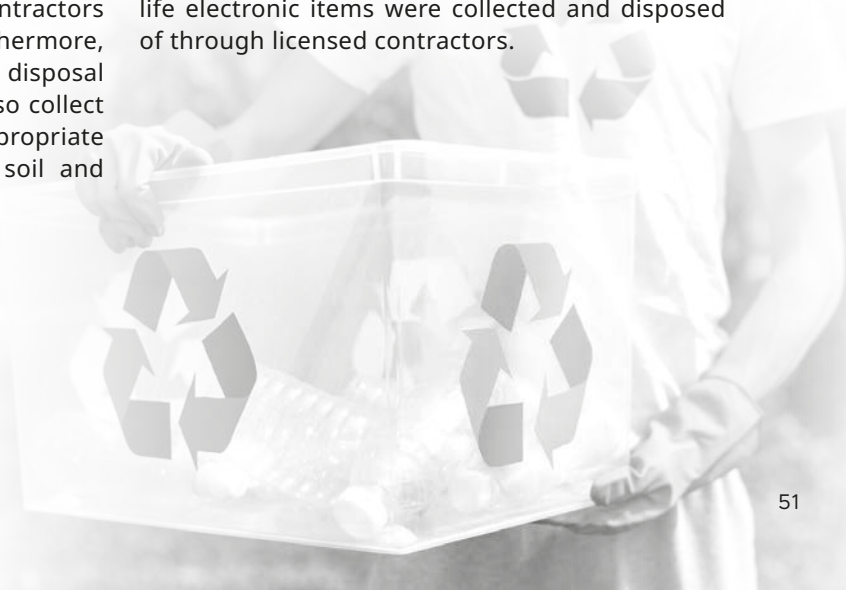
### Our Approach

Our waste management approach focuses on avoiding unnecessary consumption and minimizing waste generation wherever possible, with the aim of reducing overall environmental impact. We have implemented initiatives to raise employee awareness and encourage sustainable practices.

To support this objective, we have implemented stringent policies in relation to scheduled waste such as SW321, SW204, SW409, SW110 and wastewater. To ensure proper scheduled waste management, all such waste is stored in designated areas with proper labeling and declared in the Department of Environment's (DOE) Electronic Scheduled Waste Information System (eSWIS) before disposal. All scheduled waste is disposed through licensed scheduled waste contractors within 180 days from generation. Furthermore, all sludge undergoes treatment before disposal to minimise water contamination. We also collect unused batteries and capacitors in appropriate containers before disposal to prevent soil and water pollution.

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 programs such as our Compounding Department began separating the outer canvas-like layer and middle transparent plastic layer from flexi bags in July 2022. This initiative continued throughout FYE 2025. Now only the innermost layer, contaminated with NBR latex, is disposed of as SW 409 waste. Furthermore, we have implemented an initiative to reuse hollow pipes for various purposes throughout the factory.

Additionally, an e-waste collection and awareness campaign was conducted at the factory to promote responsible disposal of electronic waste. End-of-life electronic items were collected and disposed of through licensed contractors.



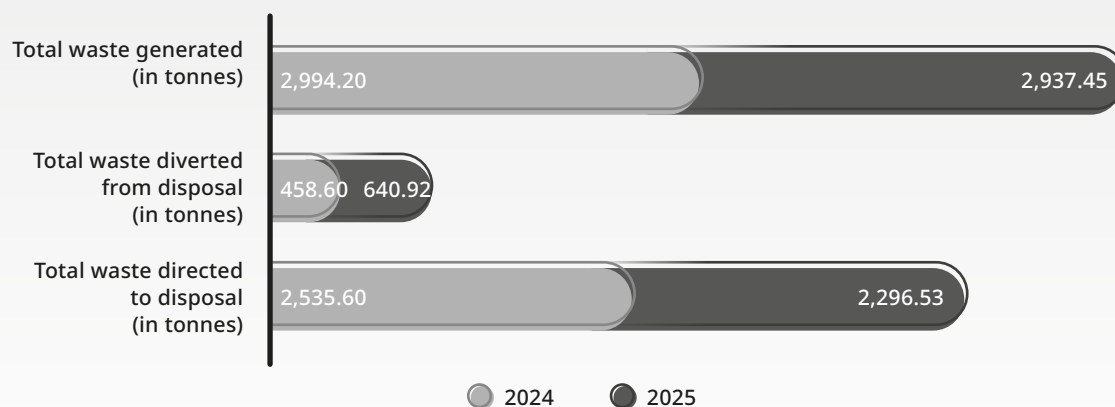


## Sustainability Statement (Cont'd)

### Our Performance

YEAR	2024	2025
Scheduled waste	2,184.08	<b>1,928.37</b>
General waste	351.52	<b>368.16</b>
Recycle plastic	85.24	<b>80.26</b>
Recycle paper	240.85	<b>235.48</b>
Recycle metal	124.51	<b>310.24</b>
Recycle canvas	4.27	<b>11.52</b>
Reuse canvas	3.73	<b>3.32</b>
<b>Total</b>	<b>2,994.20</b>	<b>2,937.45</b>

Total water withdrawal by source in 2025 (in Megalitres)



YEAR	2024	2025
Total waste generated (in tonnes)	2,994.20	<b>2,937.45</b>
Total waste diverted from disposal (in tonnes)	458.60	<b>640.92</b>
Total waste directed to disposal (in tonnes)	2,535.60	<b>2,296.53</b>

Overall waste diversion performance improved substantially in 2025. Total waste diverted from disposal increased from 458.60 tonnes in 2024 to 640.92 tonnes, while waste directed to disposal decreased from 2,535.60 tonnes to 2,296.53 tonnes. These improvements demonstrate the Group's strengthened commitment to waste minimisation, enhanced recycling initiatives, and a more effective resource recovery strategy.



# Sustainability Statement (Cont'd)

## EMISSIONS MANAGEMENT



### Why It Matters

Reducing greenhouse gas (GHG) emissions is fundamental to strengthening Comfort Gloves' long-term resilience and competitiveness. By prioritising regulatory compliance, mitigating exposure to future carbon pricing mechanisms, and minimising vulnerabilities across the supply chain, the Group is better positioned to sustain growth and maintain a strong market position.

### Our Approach

The Group acknowledges the risks posed by climate change and actively seeks opportunities to mitigate its impacts. We recognise that anthropogenic GHG emissions are a key driver of climate change and are committed to effectively managing and reducing our emissions footprint.

The Board Sustainability Committee remains committed to strengthening its oversight of climate-related matters and pursuing continuous improvement in climate governance and management.

## CLIMATE CHANGE

### GHG EMISSIONS

#### SCOPE 1

Full measurement

#### SCOPE 2

Full measurement

#### SCOPE 3

Category 6  
Business Travel

Category 7  
Employee Commuting

### EMISSIONS REDUCTION

Localising Raw  
Material sourcing

Solar Photovoltaic  
Panels

Fuel-switching  
to EV Forklifts

Upgrading Gas  
Burner Systems

### LOOKING AHEAD

Science Based  
Targets Initiative  
(SBTI)

GHG Emissions  
Policy 2024

Climate Scenario  
Risks & Opportunities  
Analysis

Climate Resilience  
Strategy (Mitigation  
& Adaptation)



## Sustainability Statement (Cont'd)

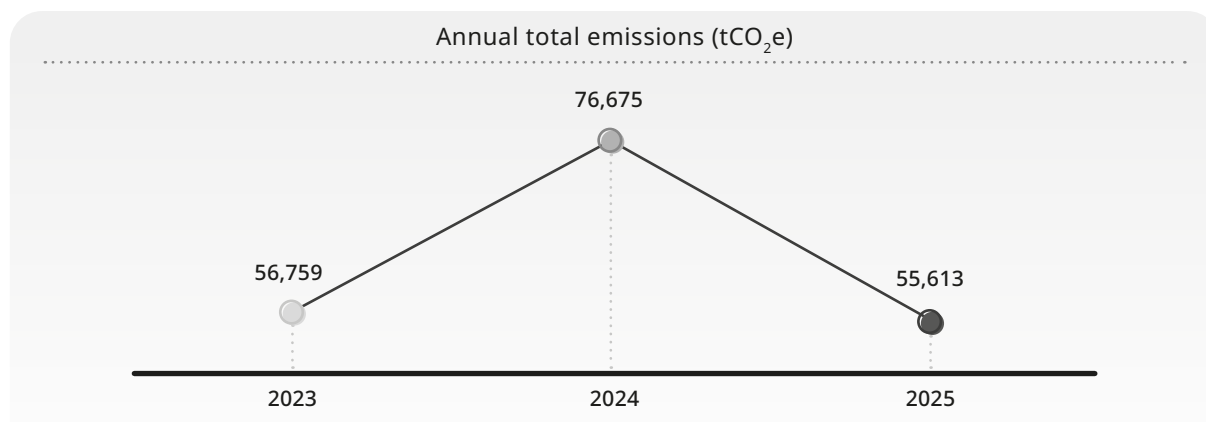
Since 2023, we have been monitoring our carbon emissions across Scope 1, Scope 2, and Scope 3. In FYE 2025, we expanded our Scope 3 assessment to include Category 6 (business travel, both local and international) and Category 7 (employee commuting), further strengthening the comprehensiveness of our emissions inventory.

To support our emissions reduction efforts, we have implemented several initiatives, including localising raw material sourcing, installing solar photovoltaic panels, fuel-switching to EV forklifts and upgrading our gas burner systems to improve energy efficiency.

Looking ahead, our corporate sustainability strategy and reporting framework continue to evolve, with plans to incorporate commitments aligned with the Science Based Targets initiative (SBTi), updating Comfort Gloves GHG Emissions Policy 2024, incorporating climate scenario risks and opportunities analysis in decision making and developing a climate resilience strategy (mitigation and adaptation), reinforcing our long-term approach to climate action and responsible growth.

### Our Performance

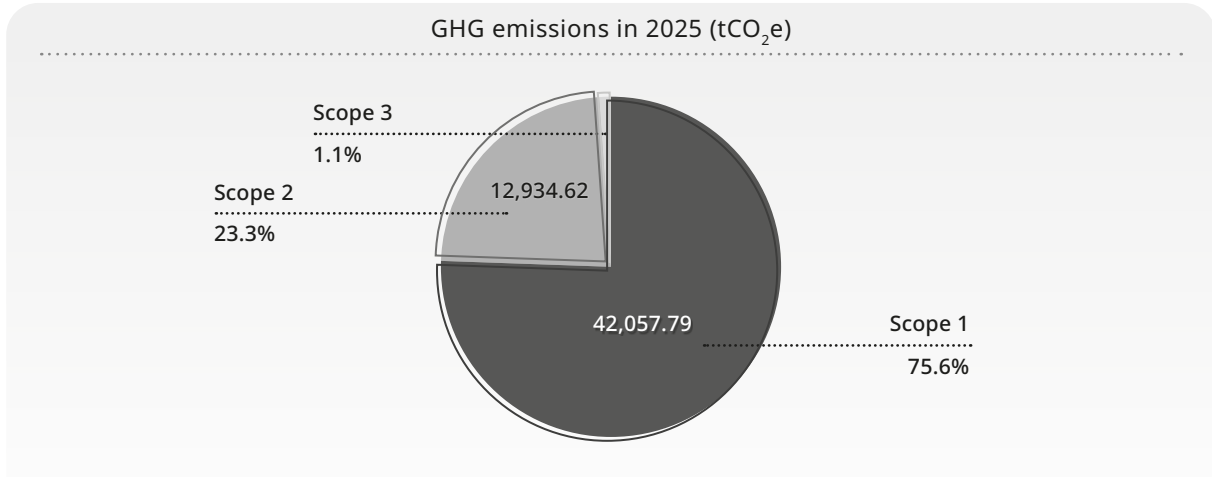
#### Total operational GHG emissions data (Scope 1, 2 & 3)



EMISSIONS (tCO <sub>2</sub> e)	YEAR		
	2023	2024	2025
Scope 1	48,806	59,912.67	<b>42,057.79</b>
Scope 2	7,256	16,092.39	<b>12,934.62</b>
Scope 3	697	670	<b>620.83</b>
Total (Scope 1 & 2)	56,062	76,005	<b>54,992.41</b>
Total (Scope 1, 2 & 3)	56,759	76,675	<b>55,613.24</b>



## Sustainability Statement (Cont'd)



### Scope 3 emissions split by category

SCOPE 3 EMISSIONS (tCO <sub>2</sub> e)	YEAR	
	2024	2025
Business travel	15.1	<b>7.93</b>
Employee commuting	654.8	<b>612.9</b>
<b>Total</b>	<b>670</b>	<b>620.83</b>




In FY2025, the Group recorded total greenhouse gas (GHG) emissions of 55,613.24 tCO<sub>2</sub>e, comprising emissions across Scope 1, Scope 2 and Scope 3 categories. Scope 1 emissions, which represent direct emissions from owned or controlled sources, accounted for 42,057.79 tCO<sub>2</sub>e, forming the largest portion of the Group's emissions profile. Scope 2 emissions, arising from purchased electricity consumption, totalled 12,934.62 tCO<sub>2</sub>e, while Scope 3 emissions, which include indirect emissions from category 6 and 7 within the value chain activities, amounted to 620.83 tCO<sub>2</sub>e.

The Group continues to monitor and manage its emissions footprint as part of its commitment to strengthening climate-related risk management. Moving forward, the Group plans to expand the monitoring and disclosure of Scope 3 emissions to cover all 15 categories in 2026, strengthening the comprehensiveness of its emissions assessment and enhancing transparency.








# Sustainability Statement (Cont'd)

## INDEXING

CODE	METRICS	SECTION	SDGs	PAGE
C1 (a)	Percentage of employees who have received training on anti-corruption by employee category	Anti Corruption		30
C1 (b)	Percentage of operations assessed for corruption-related risks			
C1 (c)	Confirmed incidents of corruption and action taken			
C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Community & Human Rights	 	32
C2 (b)	Total number of beneficiaries of the investment in communities			
C3 (a)	Percentage of employees by gender and age group, for each employee category	Diversity	  	36
C3 (b)	Percentage of directors by gender and age group			
C4 (a)	Total energy consumption	Energy Management		40
C5 (a)	Number of work-related fatalities	Health and Safety	 	41
C5 (b)	Lost time incident rate			
C5 (c)	Number of employees trained on health and safety standards			
C6 (a)	Total hours of training by employee category	Labour Practices and Standards		42
C6 (b)	Percentage of employees that are contractors or temporary staff			
C6 (c)	Total number of employee turnover by employee category			
C6 (d)	Number of substantiated complaints concerning human rights violations			



## Sustainability Statement (Cont'd)

CODE	METRICS	SECTION	SDGs	PAGE
C7 (a)	Proportion of spending on local suppliers	Supply Chain Management	   	46
C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Security		47
C9 (a)	Total volume of water used	Water		48
C10 (a)	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	Waste Management	   	51
C11 (a)	Scope 1 emissions in tonnes of CO2e	Emissions Management		53
C11 (b)	Scope 2 emissions in tonnes of CO2e			
C11 (c)	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)			



# Sustainability Statement (Cont'd)

## BURSA PERFORMANCE DATA TABLE

### Comfort Gloves Berhad

BMLR Transition Period

Date & Time: 2026-04-01\_23:35:47

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Number of employees participated in ABAC training	Number of employees	1514	—	No assurance
Anti-Corruption	Total training hours	Hours	757	—	No assurance
Anti-Corruption	Employees who have received training on ABAC (Management)	Percentage	100	—	No assurance
Anti-Corruption	Employees who have received training on ABAC (Executive)	Percentage	100	—	No assurance
Anti-Corruption	Employees who have received training on ABAC (Non-executive/Technical Staff)	Percentage	100	—	No assurance
Anti-Corruption	Employees who have received training on ABAC (General Workers)	Percentage	100	—	No assurance
Anti-Corruption	Operations assessed for corruption-related risks	Percentage	100	—	No assurance
Anti-Corruption	Confirmed incidents of corruptions and action taken	Number of confirmed incidents	0	—	No assurance
Community & Human Rights	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	100,000	—	No assurance
Community & Human Rights	Total number of beneficiaries of the investment in communities	Number of beneficiaries	1459	—	No assurance
Community & Human Rights	Total Amount of corporate or group donations/community investments made to registered not-for-profit organisations	MYR	15,000	—	No assurance
Diversity	Age Group by Employee Category (Management Under 30)	Percentage	0	—	No assurance



# Sustainability Statement (Cont'd)

**Comfort Gloves Berhad**  
 BMLR Transition Period  
 Date & Time: 2026-04-01\_23:35:47  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Age Group by Employee Category (Management Between 30-50)	Percentage	66.67	—	No assurance
Diversity	Age Group by Employee Category (Management Above 50)	Percentage	33.33	—	No assurance
Diversity	Age Group by Employee Category (Executive Under 30)	Percentage	4.65	—	No assurance
Diversity	Age Group by Employee Category (Executive Between 30-50)	Percentage	81.4	—	No assurance
Diversity	Age Group by Employee Category (Executive Above 50)	Percentage	13.95	—	No assurance
Diversity	Age Group by Employee Category (Non-executive/Technical Staff Under 30)	Percentage	27.15	—	No assurance
Diversity	Age Group by Employee Category (Non-executive/Technical Staff Between 30-50)	Percentage	56.95	—	No assurance
Diversity	Age Group by Employee Category (Non-executive/Technical Staff Above 50)	Percentage	15.89	—	No assurance
Diversity	Age Group by Employee Category (General Workers Under 30)	Percentage	26.57	—	No assurance
Diversity	Age Group by Employee Category (General Workers Between 30-50)	Percentage	70.14	—	No assurance
Diversity	Age Group by Employee Category (General Workers Above 50)	Percentage	3.29	—	No assurance
Diversity	Gender Group by Employee Category (Management Male)	Percentage	58.33	—	No assurance
Diversity	Gender Group by Employee Category (Management Female)	Percentage	41.67	—	No assurance

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# Sustainability Statement (Cont'd)

**Comfort Gloves Berhad**  
 BMLR Transition Period  
 Date & Time: 2026-04-01\_23:35:47  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Gender Group by Employee Category (Executive Male)	Percentage	32.56	—	No assurance
Diversity	Gender Group by Employee Category (Executive Female)	Percentage	67.44	—	No assurance
Diversity	Gender Group by Employee Category (Non-executive/Technical Staff Male)	Percentage	100	—	No assurance
Diversity	Gender Group by Employee Category (Non-executive/Technical Staff Female)	Percentage	0	—	No assurance
Diversity	Gender Group by Employee Category (General Workers Male)	Percentage	76.14	—	No assurance
Diversity	Gender Group by Employee Category (General Workers Female)	Percentage	23.86	—	No assurance
Diversity	Directors by gender (Male)	Percentage	66.67	—	No assurance
Diversity	Directors by gender (Female)	Percentage	33.33	—	No assurance
Diversity	Directors by age group (Under 30)	Percentage	0	—	No assurance
Diversity	Directors by age group (Between 30-50)	Percentage	33.33	—	No assurance
Diversity	Directors by age group (Above 50)	Percentage	66.67	—	No assurance
Energy Management	Total Energy Consumption	MWh	19,479	—	Internal
Health and Safety	Number of work-related fatalities	Number of fatalities	0	—	No assurance
Health and Safety	Lost time incident rate	Rate	0.34	—	No assurance
Health and Safety	Number of employees trained on health and safety standards	Number of employees	856	—	No assurance



# Sustainability Statement (Cont'd)

**Comfort Gloves Berhad**  
 BMLR Transition Period  
 Date & Time: 2026-04-01\_23:35:47  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices and Standards	Total hours of training by employee category (Management)	Hour	1,419.5	—	No assurance
Labour Practices and Standards	Total hours of training by employee category (Executive)	Hour	1,749	—	No assurance
Labour Practices and Standards	Total hours of training by employee category (Non-executive/Technical Staff)	Hour	2,587	—	No assurance
Labour Practices and Standards	Total hours of training by employee category (General Workers)	Hour	15,370	—	No assurance
Labour Practices and Standards	Employees that are contractors or temporary staff	Percentage	0	—	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category (Management)	Number of employees	10	—	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category (Executive)	Number of employees	16	—	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category (Non-executive/Technical Staff)	Number of employees	50	—	No assurance
Labour Practices and Standards	Total number of employee turnover by employee category (General Workers)	Number of employees	244	—	No assurance
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number of substantiated complaints	0	—	No assurance
Supply Chain Management	Proportion of spending on local suppliers	Percentage	8783	—	No assurance
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number of substantiated complaints	0	—	No assurance

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# Sustainability Statement (Cont'd)

**Comfort Gloves Berhad**  
 BMLR Transition Period

Date & Time: 2026-04-01\_23:35:47  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Water	Total volume of water used	Megallitres	1202.2	—	No assurance
Waste Management	Total waste generated	Tonnes	2,937.45	—	No assurance
Waste Management	Total waste diverted from disposal	Tonnes	640.92	—	No assurance
Waste Management	Total waste directed to disposal	Tonnes	2,296.53	—	No assurance
Emissions Management	Scope 1 emissions	tCO <sub>2</sub> e	42,057.79	—	Internal
Emissions Management	Scope 2 emissions	tCO <sub>2</sub> e	12,934.62	—	Internal
Emissions Management	Scope 3 emissions	tCO <sub>2</sub> e	620.63	—	Internal

# Event Highlights



**Festivity CSR:**  
Lifting up the community



**Community Outreach:** Home visit to provide essentials to those in need



**Empowering Young Minds:**  
Full-year preschool sponsorship for children in need



**Collaborative Learning:** Hands-on engagement and contributions for students with intellectual disabilities



**Community Outreach:**  
Essential supplies for those in need



**Child-focused Activity:** Hand hygiene awareness



## Event Highlights (Cont'd)



Road Safety Program with JPJ: Employee Awareness Initiative



Skill Development and Enhancement: Hands-on practical skill polishing training



Community Outreach: Consistent CSR Programs for the Underprivileged



Cultural Togetherness: Embracing diversity



Succession Planning Training: Developing Leaders for Resilience and Growth



Training and Development Programs: Building skills and enhancing capabilities



# Corporate Governance Overview Statement

## INTRODUCTION

The Board of Directors recognises 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");



This Corporate Governance Overview Statement should be read together with Corporate Governance Report 2025, both available on the Company's website at <https://comfortrubber.com/>.



## 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 while 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 with 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 the 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 <https://comfortrubber.com/>.



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

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

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:

- 1 Code of Conduct and Ethics
- 2 Whistleblowing Policy and Procedures
- 3 Anti-Bribery and Corruption Policy
- 4 Related Party Transaction
- 5 Conflict of Interest Policy
- 6 Diversity Policy

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 regulations 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 enhances 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 processes.

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 2025 was appropriate and adequate to effectively govern the organisation and comprises a mixture of businessmen and professionals with wide financial and commercial experience.

#### **Qualified and Competent Company Secretary**

The Board is supported by qualified and competent Company Secretary who plays 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 Secretary constantly keep herself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending the relevant training programmes/conferences.



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

#### ***Qualified and Competent Company Secretary (Cont'd)***

The Board has direct access to the advice and services of the Company Secretary who is 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***

In accordance with the Board Charter and Diversity Policy, the Board requires having at least one (1) female Director. As at 31 December 2025, the Board of Directors comprises two female members namely Datuk Amnah Binti Ibrahim and Chu Nyet Kim. The Board recognised the value of female members of the Board and the female Directors form 33% of the Board. In adherence to the prescription of Practice 5.9 of the MCCG 2021, the board comprises at least 30% women directors.

#### ***Foster Commitment***

Paragraph 15.06 of MMLR provides that directors of listed company may not hold more than five (5) directorships in listed companies. None of the Board members of Comfort Gloves Berhad serves 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 the 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 has set and approved business authority limits which set out relevant matters. These 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 judgments 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.



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

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

The Company has also formalised 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 interest 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.

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.



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

#### **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:

NAME OF DIRECTORS	NUMBER OF MEETINGS ATTENDED
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>	5 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 days 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 Secretary, independent professional advisers, and internal/external auditors in appropriate circumstances at the Company's expense, if required.

The Secretary discharges 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 that 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 reflect the deliberations and decision of the Board, including any directors abstained from voting or deliberating on a particular matter.



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

#### ***Access to Information and Advice (Cont'd)***

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 release date of the quarterly financial results announcement.

#### ***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 include 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 broaden 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.



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

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

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 2025, the following training programmes and seminars were attended by the Directors:

NAME OF DIRECTORS	TRAININGS OR SEMINARS ATTENDED
Tan Sri Dato' Lau Eng Guang	<ul style="list-style-type: none"> <li>» Recent Amendments To The Listing Requirements: Enhanced Conflict of Interest Framework</li> <li>» Strategic Management for Directors: Driving Growth, Governance, &amp; Sustainability</li> <li>» Financial Literacy &amp; Fraud Prevention: Strengthening Internal Controls &amp; Digital Compliance</li> </ul>
Lau Joo Yong	<ul style="list-style-type: none"> <li>» Recent Amendments To The Listing Requirements: Enhanced Conflict of Interest Framework</li> <li>» Strategic Management for Directors: Driving Growth, Governance, &amp; Sustainability</li> <li>» Financial Literacy &amp; Fraud Prevention: Strengthening Internal Controls &amp; Digital Compliance</li> </ul>
Lau Joo Pern	<ul style="list-style-type: none"> <li>» Financial Literacy &amp; Fraud Prevention: Strengthening Internal Controls &amp; Digital Compliance</li> <li>» Strategy Management for Directors: Driving Growth, Governance, &amp; Sustainability</li> <li>» Recent Amendments To the Listing Requirements: Enhanced Conflict of Interest Framework</li> </ul>
Khoo Chie Yuan	<ul style="list-style-type: none"> <li>» Strategic Management for Directors: Driving Growth, Governance, &amp; Sustainability</li> <li>» Financial Literacy &amp; Fraud Prevention: Strengthening Internal Controls &amp; Digital Compliance</li> <li>» 2025 MFRS Updates</li> </ul>



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

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

NAME OF DIRECTORS	TRAININGS OR SEMINARS ATTENDED
Chu Nyet Kim	<ul style="list-style-type: none"> <li>» Global Minimum Tax Webinar</li> <li>» 2025 Budget Seminar</li> <li>» Case study based MFRS Webinar: Know the difference between IAS1 and the new IFRS/MFRS18 Presentation and Disclosure in Financial Statements</li> <li>» Money Security: How PIDM protects you</li> <li>» Amaran Scam</li> <li>» Capital Market Conference 2025</li> <li>» Board Simulation - Balancing Risks &amp; Opportunity in ESG Leadership</li> <li>» Sustainability and Climate Change Disclosure Requirements</li> <li>» Strategic Management for Directors: Driving Growth, Governance, &amp; Sustainability</li> <li>» Financial Literacy &amp; Fraud Prevention: Strengthening Internal Controls &amp; Digital Compliance</li> <li>» Recent Amendments To the Listing Requirements : Enhanced Conflict of Interest Framework</li> </ul>
Datuk Amnah Binti Ibrahim	<ul style="list-style-type: none"> <li>» Strategic Management for Directors: Driving Growth, Governance, &amp; Sustainability</li> <li>» Financial Literacy &amp; Fraud Prevention: Strengthening Internal Controls &amp; Digital Compliance</li> </ul>

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

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 and Risk Management Committee



Remuneration Committee



Nomination Committee



Committee for the review of press releases or public announcements



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

#### ***Audit and Risk Management Committee ("ARMC")***

The ARMC 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 ARMC comprises three (3) Independent Non-Executive Directors. The ARMC is chaired by an INED, Madam Chu Nyet Kim.

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

#### ***Nomination Committee ("NC")***

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

#### NAME OF MEMBER

Datuk Amnah Binti Ibrahim	Chairman, Independent Non-Executive Director
Khoo Chie Yuan	Member, Independent Non-Executive Director
Chu Nyet Kim	Member, Independent Non-Executive Director

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.

During the FYE 2025, one meeting was held and undertook the following activities:

- a) Reviewed the performance of the Directors who are due for re-election/re-appointment at the next AGM via the fit and proper assessment;
- b) Assessed the independence of the Independent Directors;
- c) Reviewed the mix of skills, independence, experience and other qualities of the Board;
- d) Reviewed the terms of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether the Audit and Risk Management Committee and its members have carried out their duties in accordance with the terms of reference;



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

#### ***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 customised self-assessment questionnaires to be completed by each Director;
- f) Reviewed the annual assessment of the effectiveness of the Board, Board committees and individual directors annually using a set of customised self-assessment questionnaires to be completed by each Director; with the following criteria: -

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.

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

The members of the Remuneration Committee during the financial year, comprised of Independent Non-Executive and Directors, as follows:

#### NAME OF MEMBER

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 fix the remuneration packages of individual directors and approve employee compensation and benefits programs.

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 is available on the Company's website.



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

#### ***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, who 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.

#### **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 2025 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	2,131,006	-	-	404,896	28,000	893	2,564,795
Lau Joo Yong	1,901,000	-	-	361,190	23,950	1,393	2,287,533
Lau Joo Pern	318,300	-	-	60,477	-	1,393	380,170
<b>Non-Executive Director</b>							
Chu Nyet Kim	-	-	110,625	-	2,010	23,500	136,135
Khoo Chie Yuan	-	-	105,625	-	2,010	23,500	131,135
Datuk Amnah Binti Ibrahim	-	-	105,625	-	2,010	23,500	131,135



## Corporate Governance Overview Statement (Cont'd)



### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS

#### DIRECTORS' REMUNERATION (CONT'D)

##### *The Level and Make-up of Remuneration (Cont'd)*

##### The Company

(RM)	SALARY	BONUS	FEE	DEFINED CONTRIBUTION	BENEFITS-IN-KIND	OTHER EMOLUMENTS	TOTAL
Executive Director							
Tan Sri Dato' Lau Eng Guang	-	-	-	-	-	-	-
Lau Joo Yong	-	-	-	-	-	-	-
Lau Joo Pern	-	-	-	-	-	-	-
Non-Executive Director							
Chu Nyet Kim	-	-	110,625	-	2,010	23,500	136,135
Khoo Chie Yuan	-	-	105,625	-	2,010	23,500	131,135
Datuk Amnah Binti Ibrahim	-	-	105,625	-	2,010	23,500	131,135



## 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 ARMC, 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 and Risk Management Committee. The function is currently outsourced to an independent professional firm. The Audit and Risk Management Committee also undertook 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 ARMC is responsible for the annual assessment of the competency and independence of the external auditors. In its assessment, the ARMC considers several factors, which include 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 ARMC recommended 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 ARMC 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's professional requirements. The EA has continued to highlight to the Audit and Risk Management Committee and Board of Directors matters that require the Board's attention.

The Audit and Risk Management Committee also had private sessions with the EA without the presence of any executive of the Group at least twice a year. Liaison and unrestricted communication exist between the ARMC and the EA. The ARMC 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)



### PRINCIPLE C

### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### **Communication with Stakeholders**

The Board is committed to providing shareholders, investors and all other stakeholders with 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 Shareholders, 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 issued the Annual Report, which includes the notice of AGM, which notice is also advertised in the newspaper and released to Bursa Malaysia Securities Berhad. In line with good Corporate Governance practice, the Notice of the AGM was issued at least 28 days before the date of the AGM.

During the AGM held on 26 May 2025, the Board encouraged shareholders to participate in the question-and-answer session at the 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. 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 scrutineers 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 8.2** – 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.
- » **Practice 13.3** – To leverage on technology to facilitate voting in absentia and remote shareholders' participation at general meeting.

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 15 April 2026.



# Audit & Risk Management Committee Report

The Board of Directors (“the Board”) of Comfort Gloves Berhad (“CGB” or “the Company”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2025 (“FYE 2025”) in compliance with Paragraph 15.15 of the Main LR of Bursa Malaysia.

In performing their duties and discharging their responsibilities, the ARMC is guided by its Board Charter and also its Terms of Reference (“TOR”) which are available on the Company’s website at <https://comfortrubber.com/>.

## 1. COMPOSITION AND ATTENDANCE

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

The ARMC Chairperson, 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 ARMC are financially literate and are able to analyze and interpret financial statements in order to effectively discharge their duties and responsibilities as members of ARMC.

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

### Meetings

The Company Secretaries attended all the Meetings of the ARMC held during the financial year. Minutes of each ARMC Meeting were recorded and tabled for confirmation at the next ARMC 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 ARMC.

The CFO will brief the ARMC on specific issues arising from the audit reports or any matters of interest. The ARMC 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 ARMC Chairman also conveyed to the Board matters of significant concern as and when raised by the EA or IA in the respective quarterly presentations.



# Audit & Risk Management Committee Report (Cont'd)

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

### Meetings (Cont'd)

The ARMC convened a total of five (5) meetings during the FYE 2025 and the details of the ARMC members and meeting attendance are as follows:

AUDIT COMMITTEE MEMBERS	DESIGNATION	NUMBER OF MEETINGS ATTENDED
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	5 of 5

The EA were in attendance at two meetings during the FYE 2025. The discussion between the ARMC and EA without the presence of the Group Executives was also held. During the Meetings, the ARMC 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 ARMC carried out its duties as set out in the TOR. The key activities performed by the ARMC during the FYE 2025 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 ARMC 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').



## Audit & Risk Management Committee Report (Cont'd)

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

#### (a) External Audit (Cont'd)

- (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 the audit, the EA's 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 ARMC 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; and
  - 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.
- (iii) to safeguard the integrity of information, the CFO had given assurance to the ARMC 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.



# Audit & Risk Management Committee Report (Cont'd)

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

### (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 ARMC was satisfied with the Internal Auditors' performance for the financial year ended 31 December 2025 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 an assessment of their suitability and independence in performing their obligations, which is performed via a formal evaluation form. In its assessment, the ARMC considered several factors, which include the caliber, reputation and resources of the firm, staff experience and professionalism and audit scope.

The Internal Auditors provided written assurance on 26 March 2026 to the ARMC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for the FYE 2025.

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

Considered the transactions with related parties and/or interested persons to ensure they were transacted on an arm's length basis and within the limits prescribed under the Main Market Listing Requirements.

The ARMC also reviewed and monitored all conflict of interest situations that arose, persisted or may arise within the Group during the year. This included measures taken to resolve, eliminate, or mitigate such conflicts.

In line with the ARMC's TOR and Listing Requirements, there was no conflict of interest situation which arose during FYE 2025 that required the ARMC to resolve, eliminate or mitigate such conflicts.



## Audit & Risk Management 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 ARMC 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 were actively implemented with appropriate actions taken whenever reports were received. There was no reporting of whistle-blowing nor bribery and corruption cases for the FYE 2025.

#### (g) Transition from Audit Committee to Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC"), which was redesignated from the Audit Committee in February 2025, reflects the expanded scope of the Committee's responsibilities to include oversight of the Company's risk management framework and practices.

Following the redesignation, the Terms of Reference were reviewed and updated to incorporate the additional scope of risk management oversight and are now referred to as the Terms of Reference of the Audit and Risk Management Committee.

### 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 reports directly to the ARMC and assists the Board in reviewing the adequacy and integrity of the internal control systems to manage risk exposures over key processes within the Group.

The role of the internal audit function is to support the ARMC 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 ARMC and senior management of the Group.

The Internal Audit Function of the Group is 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 2025 was RM35,000.00.



# Statement on Risk Management and Internal Control

## INTRODUCTION

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”) pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). This Statement highlights the key features of the risk management and internal control systems that operate throughout CGB and its subsidiaries (“CGB Group” or “the Group”) for the financial year ended 31 December 2025 (“FYE 2025”).

This Statement incorporates the principles and recommendations of the Malaysian Code on Corporate Governance (“MCCG”) with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITIES

The Board is committed to upholding a robust governance framework in relation to risk management and internal controls that protect shareholders’ investments, support stakeholders’ interests and secure the Group’s assets. With the importance of maintaining a sound risk management and internal control framework in mind, the Board conducts regular reviews of the Group’s risk management and internal control systems to assess their adequacy and effectiveness, with support from the Audit and Risk Management Committee (“ARMC”).

Despite the robust measures in place, the Board recognises that all risk management and internal control systems have inherent limitations. As such, the Group’s framework is designed to mitigate risks to an acceptable level in pursuit of its business objectives, and therefore provides reasonable rather than absolute assurance against material misstatements, fraud, losses and unforeseen events.

## RISK MANAGEMENT SYSTEM

The Group relies on risk management framework to identify, assess and address key business risks. In CGB Group, an ongoing risk management process has been implemented to ensure that key risks are identified and managed in line with the Group’s business objectives. To this end, the Group has adopted the Integrated Management System Procedure Manual – Risk Management, which is guided by ISO 14971:2019+A11:2021, an international risk management standard for the medical device industry.

The key elements of the Group’s risk management process are set out below: -

### Risk Analysis

To identify potential hazards and determine the associated level of risk.

### Risk Evaluation

To assess the identified risk against the Group’s risk acceptability criteria, each based on the likelihood of occurrence and potential impact.

### Risk Control

To address risks promptly and effectively.

### Evaluation of Overall Residual

To review the overall residual risk and ensure it aligns with the established acceptability criteria.



## Statement on Risk Management and Internal Control (Cont'd)

### RISK MANAGEMENT SYSTEM (CONT'D)

The key elements of the Group's risk management process are set out below: - (Cont'd)

#### Risk Management Review

To ensure the risk management plan is effectively executed, overall residual risks are acceptable, and appropriate methods are in place for the collection and review of production and post-production data.

#### Production and Post-Production Activities

To gather and analyse production and post-production data, evaluate the necessity of updating the Risk Management Plan ("RMP"), Risk Management Report ("RMR"), Risk Management File ("RMF"), as well as improving the medical device or risk management process.

At CGB, ultimate oversight of the Group's risk management system lies with the Board, supported by the ARMC and Top Management, who are in turn assisted by the Risk Management Team which made up by representatives from various departments. In particular, the Risk Management Team is responsible for: -

- 1 • Establishing and implementing RMP;
- 2 • Reviewing the implementation and completeness of the RMP, RMR and RMF;
- 3 • Collecting production and post-production data;
- 4 • Updating the RMP, RMR and RMF;
- 5 • Proposing suitable risk controls and monitoring such controls after implementation; and
- 6 • Reporting to risk management leader on RMP implementation and issue, if any.

On 21 February 2025, the Management prepared and presented the Group's Risk Assessment Report for the FYE 2025. The key risks identified during the financial year, together with the associated control measures in place, inter alia, are as follows: -

NO	RISK IDENTIFIED	CONTROLS IN PLACE
1	Compliance of regulation on minimum standards housing accommodation and amenities	» Continue with the yearly extension of temporary occupational approval for the staff hostel until obtaining the Certificate of Accommodation.
2	Safety of machineries	» Conduct regular inspection and preventive maintenance of machineries. » Provide information and training to all employees. » Implement safe operating procedures.



# Statement on Risk Management and Internal Control (Cont'd)

## RISK MANAGEMENT SYSTEM (CONT'D)

NO	TRAININGS OR SEMINARS ATTENDED	CONTROLS IN PLACE
3	Risk of fire	<ul style="list-style-type: none"> <li>» Maintain workplace tidiness and good housekeeping.</li> <li>» Keep ignition sources away from combustible materials or flammable liquids and gases.</li> <li>» Install and regularly inspect emergency fire-fighting equipment.</li> <li>» Maintain and test fire alarms and detectors regularly.</li> <li>» Ensure adequate fire insurance coverage.</li> <li>» Implement emergency response plan and regular fire drill exercises.</li> </ul>
4	Export ban risk due to inconsistent product quality	<ul style="list-style-type: none"> <li>» Perform water-tight testing and visual checks during quality assurance inspection.</li> <li>» Perform laboratory chemical testing on compounding chemicals and in-process chemicals.</li> <li>» Perform physical properties testing, such as tensile strength evaluations.</li> <li>» Conduct regular Quality Performance Review on barrier defects per million and Visual Lot Acceptance Rate.</li> <li>» Conduct internal quality audits.</li> <li>» Install online artificial intelligence inspection capability on nitrile butadiene rubber dipping lines to eliminate defective gloves from finished products.</li> </ul>
5	Export ban risk due to unmet social responsibility requirements and human rights	<ul style="list-style-type: none"> <li>» Conduct Sedex Members Ethical Trade Audit ("SMETA") Annual Social Compliance audit based on four (4) pillars, namely business ethics, human rights, safety and health as well as environment.</li> <li>» Maintain Worldwide Responsible Accredited Production ("WRAP") certification.</li> </ul>
6	Shortages of raw materials	<ul style="list-style-type: none"> <li>» Increase the number of approved vendors for key chemicals and raw materials.</li> <li>» Maintain a minimum of two-week safety buffer stock for these supplies.</li> <li>» Establish a tracking plan for all critical chemicals and raw materials.</li> </ul>
7	Anti-bribery and whistleblowing concerns	<ul style="list-style-type: none"> <li>» Ensure the Company's Anti Bribery and Corruption ("ABC") Policy, Whistleblowing Policy, Code of Conduct and Business Ethics published on the Company's website are updated.</li> <li>» Require new employees to complete self-declaration.</li> <li>» Communicate the ABC Policy to new vendors and customers.</li> </ul>
8	Risk of foreign exchange	<ul style="list-style-type: none"> <li>» Apply monthly hedging to cover 30% - 60% of United States Dollar monthly receipts.</li> </ul>



## Statement on Risk Management and Internal Control (Cont'd)

### RISK MANAGEMENT SYSTEM (CONT'D)

NO	TRAININGS OR SEMINARS ATTENDED	CONTROLS IN PLACE
9	Reduction in customer demand	<ul style="list-style-type: none"> <li>» Expand customer base for existing products.</li> <li>» Develop new products based on customer needs.</li> <li>» Diversify customer base by exploring non-traditional markets to reduce dependency.</li> <li>» Strengthen on the Group's branding.</li> </ul>
10	Rising input costs	<ul style="list-style-type: none"> <li>» Increase the number of approved vendors.</li> <li>» Regularly review product costing and transfer the price increase to customers, when possible.</li> <li>» Implement process automation where possible, including visual defect inspection and boxing activities.</li> </ul>
11	Risk of working capital inadequacy	<ul style="list-style-type: none"> <li>» Defer non-urgent capital expenditures.</li> <li>» Monitor credit exposure for credit terms granted to customers.</li> <li>» Obtain longer credit terms from suppliers.</li> <li>» Minimise inventory levels to improve cash flow efficiency.</li> </ul>
12	Business competition risk	<ul style="list-style-type: none"> <li>» Innovate new products to differentiate the Group from competitors.</li> <li>» Regularly assess product costing to improve cost efficiency.</li> <li>» Enhance non-quantitative customer services.</li> <li>» Closely monitor the upcoming European Union recommendations and legislation relevant to our industry.</li> </ul>

### INTERNAL CONTROL SYSTEM

In today's increasingly complex and dynamic business environment, a robust internal control system is essential to support and strengthen the Group's risk management framework. Therefore, the Group is committed to maintain and enhance its internal control system to provide reasonable assurance on the integrity and efficiency of operations as well as compliance with applicable laws and regulations. By proactively adapting to changes in the internal and external environment, the Group ensures that its internal control system remains relevant, effective and fully aligned with evolving risks and business objectives.

During FYE 2025, the following key internal controls continued to be implemented to strengthen the Group's operations and governance: -

The Board Committees perform their duties and responsibilities in accordance with their respective Terms of Reference;



# Statement on Risk Management and Internal Control (Cont'd)

## INTERNAL CONTROL SYSTEM (CONT'D)

A well-defined and documented management organisational structure with clear lines of responsibility has been in place to uphold proper segregation of duties and delegation of authority;

Key Company policies, including the Code of Conduct and Business Ethics, ABC Policy, Conflict of Interest Policy and Whistleblowing Policy, have been adopted and made publicly accessible on the Company's website;

A Fit and Proper Policy has been implemented as a guidance to the Nomination Committee in assessing the appointment and re-appointment of Directors,;

Standard operating policies and procedures have been implemented across the Group to ensure uniformity in internal practices and alignment with the Group's business objectives; and

Accreditation of the Group's quality management system 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 and nitrile examination gloves".

## INTERNAL AUDIT FUNCTIONS AND ITS ACTIVITIES

Pursuant to Paragraph 15.27 of the MMLR, the Company has outsourced its internal audit function to an independent professional firm, Resolve IR Sdn Bhd. The Internal Auditor supports the Board and the ARMC by providing an independent assessment on the overall adequacy, efficiency and effectiveness of the Group's risk management and internal control systems.

According to the Internal Audit Plan duly approved by the ARMC, the Internal Auditor has carried out two (2) internal audit reviews during FYE 2025, detailed as follows: -

INTERNAL AUDIT COVERAGE AREA	COVERAGE PERIOD
Engineering and Facilities Management	Quarter 2, FYE 2025
Management Information System	Quarter 4, FYE 2025

The internal audit was carried out by a team comprising a Managing Director, a Director, two (2) Managers, a Senior Consultant and three (3) Consultants. Throughout the audit review, the Internal Auditor was granted access to all relevant internal documents and conducted interviews with the Management to obtain sufficient information for an effective assessment.



## Statement on Risk Management and Internal Control (Cont'd)

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

Upon the completion of each internal audit engagement, the Internal Auditor discusses the audit findings and recommended improvements with the Senior Management. Following the discussion, the Internal Auditor presents the internal audit report to the ARMC during scheduled meetings, detailing the audit findings, potential implications, recommended improvements and Management's responses together with the corresponding action plans. Senior Management is then responsible for implementing the agreed action plans within the stipulated timeframe. In the subsequent internal audit cycle, the Internal Auditor conducts a follow-up review to ensure that these action plans are appropriately implemented and reports the same to the ARMC.

Based on the internal audit reviews conducted during FYE 2025, the Board is satisfied that no significant weaknesses were identified in the internal control system that could result in any material losses, contingencies or uncertainties nor any matters requiring separate disclosure in this Annual Report.

The total cost incurred for the outsourced internal audit function for FYE 2025 was RM35,000.

### REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITOR

The External Auditor has 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 for inclusion in the annual report of the Company for the FYE 2025, 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 section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, or
- (b) is factually inaccurate.

AAPG 3 does not require the External Auditor 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 systems including the assessment and opinion by the Board and Management thereon. The External Auditor is 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.



# Statement on Risk Management and Internal Control (Cont'd)

## MANAGEMENT'S ASSURANCE

The Group's Chief Executive Officer, representing the Management, has provided reasonable assurance to the Board that the Group's risk management and internal control systems is operating adequately and effectively in all material aspects. The Board is also satisfied that nothing has come to their attention that may render the financial results and information presented to be false or misleading in any material aspect.

## CONCLUSION

For FYE 2025 and up to the approval date of this statement, the Board believes that the Group's risk management and internal control systems in place is satisfactory and adequate to protect shareholders' investments, stakeholders' interests and the Group's assets. There were no significant internal control deficiencies or material weaknesses resulting in material losses, contingencies or uncertainties that require separate disclosure in this Annual Report.

Nonetheless, the Board recognises the need for ongoing enhancement of the Group's risk management and internal control systems to adapt to the evolving business and regulatory environment. As such, the Board, together with the Management, is committed to continually improving the Group's risk management and internal control systems.

This Statement was approved by the Board on 15 April 2026.



# Additional Compliance Information

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the financial year ended 31 December 2025.

## 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 2025.

## 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 2025 is as follows:

	Group RM	Company RM
Audit Fees	285,000	125,000
- KPMG PLT		
Non-Audit Fees*		
- KPMG PLT	15,000	15,000
- Local affiliate of KPMG PLT	146,000	88,800
	446,000	228,800

Note

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

## 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.



## Additional Compliance Information (Cont'd)

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/ Paragraph 9.41(b) of the MAIN Market Listing Requirements/ Rule 9.25A of the ACE Market Listing Requirements/ Rule 6.13A of the LEAP Market Listing Requirements]\*, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

#### (A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 RM	2024 RM
Revenue		333,588,941	346,756,835
Finance income		3,698,123	6,832,449
Other income		2,685,616	5,287,345
<b>Total</b>		<b>339,972,680</b>	<b>358,876,629</b>
<b>Total Assets</b>		<b>744,758,679</b>	<b>936,021,425</b>

#### (B) Business Activities

Shariah Non-Compliance Activities	Remarks	Group	
		2025 RM	2024 RM
Shariah Non-Compliance Activities		N/A*	N/A*
<b>Total</b>		<b>N/A*</b>	<b>N/A*</b>

Note

\* The Group is not aware of any revenue derived from Shariah non-compliant activities during the financial year.



## Additional Compliance Information (Cont'd)

### (C) Component of Financial Position

#### (i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 RM	2024 RM
Unit trust funds		71,115,163	101,812,771
Cash in hand		7,060	4,002
Deposits with licensed bank		10,644,673	42,034,491
Short-term deposits		10,272,061	10,000,000
<b>Total</b>		<b>92,038,956</b>	<b>153,851,264</b>

Conventional Account/Instruments	Remarks	Group	
		2025 RM	2024 RM
Short-term deposits		32,000,000	-
Deposits with licensed bank		11,110,377	5,022,779
Unit trust funds		6,566,615	5,659,906
<b>Total</b>		<b>49,676,992</b>	<b>10,682,685</b>



## Additional Compliance Information (Cont'd)

### (ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 RM	2024 RM
<b>Current</b>			
Banker's acceptances		-	23,201,294
<b>Non-Current</b>			
		-	-
<b>Total</b>		<b>-</b>	<b>23,201,294</b>

Conventional Borrowing	Remarks	Group	
		2025 RM	2024 RM
<b>Current</b>			
Other interest bearing debt	Supply chain facilities	1,619,000	1,985,521
Invoice financing		7,181,935	15,485,377
Term loans		4,778,520	2,796,000
<b>Non-Current</b>			
Term loans		6,847,547	4,600,194
<b>Total</b>		<b>20,427,002</b>	<b>24,867,092</b>



# 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 2025, the Company and Group have used appropriate accounting policies and applied them consistently and prudently.



# Financial Statements

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# Directors' Report

For the year ended 31 December 2025

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 2025.

## Principal activities

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are stated in Note 5 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 5 to the financial statements.

## Results

	Group RM	Company RM
(Loss)/Profit for the year attributable to: Owners of the Company	(142,513,661)	1,227,005

## 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^  
Lau Joo Pern^  
Khoo Chie Yuan  
Tan Sri Dato' Lau Eng Guang^  
Datuk Amnah binti Ibrahim^  
Chu Nyet Kim

^ Directors of the Company and certain subsidiaries



## Directors' Report (Cont'd)

### For the year ended 31 December 2025

#### 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

#### 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:

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	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

	Number of warrants			At 31.12.2025
	At 1.1.2025	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 2025 had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.



## Directors' Report (Cont'd)

### For the year ended 31 December 2025

#### 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 2025 are as follows:

	From the Company RM	From subsidiary companies RM
Directors of the Company:		
Fees	321,875	-
Remuneration	70,500	5,778,159
Estimated money value of any other benefits	-	51,950
	392,375	5,830,109

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.

#### Indemnity and insurance costs

During the financial year, the total amounts of indemnity sum and insurance premium paid for the Directors and Officers of the Company and its subsidiaries were RM40,000,000 and RM54,452, respectively. There was no indemnity given to or insurance effected for auditors of the Company during the financial year.



## Directors' Report (Cont'd)

### For the year ended 31 December 2025

#### 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 2025 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) **For the year ended 31 December 2025**

### **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 RM285,000 and RM125,000 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:

.....  
**Lau Joo Yong**  
Director

.....  
**Lau Joo Pern**  
Director

Kuala Lumpur

Date: 15 April 2026



# Statements of Financial Position

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Assets</b>					
Property, plant and equipment	2	339,402,558	415,792,676	199,836	16,056,491
Intangible assets		22,211	22,211	-	-
Right-of-use assets	3	16,000,841	16,579,898	-	-
Investment properties	4	26,421,848	26,421,848	14,782,558	-
Investment in subsidiaries	5	-	-	307,730,917	287,578,917
Deferred tax assets	6	21,347,222	20,862,444	80,629	-
<b>Total non-current assets</b>		<b>403,194,680</b>	<b>479,679,077</b>	<b>322,793,940</b>	<b>303,635,408</b>
<hr/>					
Inventories	7	55,215,230	108,695,254	-	-
Trade and other receivables	8	52,954,266	90,361,829	8,510,577	11,082,048
Prepayments		1,248,208	2,440,387	-	-
Tax recoverable		90,227,100	90,310,929	268,285	718,007
Derivative financial assets	9	203,245	-	-	-
Other investments	10	77,681,779	107,472,677	27,544,552	25,950,265
Cash and cash equivalents	11	64,034,171	57,061,272	15,895,805	32,525,012
<b>Total current assets</b>		<b>341,563,999</b>	<b>456,342,348</b>	<b>52,219,219</b>	<b>70,275,332</b>
<hr/>					
<b>Total assets</b>		<b>744,758,679</b>	<b>936,021,425</b>	<b>375,013,159</b>	<b>373,910,740</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)	(5,511,616)	(5,511,616)	(5,511,616)
Other reserves	12.3	11,319,230	11,319,230	11,319,230	11,319,230
Revaluation reserve	12.4	28,693,955	30,278,026	4,258,524	4,562,789
Retained earnings		493,816,533	634,746,123	221,165,137	219,633,867
<b>Total equity</b>		<b>671,303,485</b>	<b>813,817,146</b>	<b>374,216,658</b>	<b>372,989,653</b>



## Statements of Financial Position (Cont'd)

As at 31 December 2025

		Group		Company	
	Note	2025	2024	2025	2024
		RM	RM	RM	RM
<b>Liabilities</b>					
Loan and borrowings	13	9,677,675	7,706,348	-	-
Provision for restoration	14	2,719,987	2,719,987	-	-
Deferred tax liabilities	6	506,925	1,348,682	-	15,455
<b>Total non-current liabilities</b>		12,904,587	11,775,017	-	15,455
Loan and borrowings	13	12,737,245	42,090,110	-	-
Trade and other payables	15	46,283,750	65,233,248	796,501	905,632
Contract liabilities	16	1,521,206	2,666,330	-	-
Derivative financial liabilities	9	8,406	439,574	-	-
<b>Total current liabilities</b>		60,550,607	110,429,262	796,501	905,632
<b>Total liabilities</b>		73,455,194	122,204,279	796,501	921,087
<b>Total equity and liabilities</b>		744,758,679	936,021,425	375,013,159	373,910,740

The notes on pages 111 to 179 are an integral part of the financial statements.



# Statements of Profit or Loss and Other Comprehensive Income

As at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	17	333,588,941	346,756,835	2,646,399	2,273,155
Cost of sales		(380,704,750)	(381,055,685)	-	-
<b>Gross (loss)/profit</b>		(47,115,809)	(34,298,850)	2,646,399	2,273,155
Other income		2,685,616	5,287,345	2,506,094	1,559,993
Selling and marketing expenses		(4,170,616)	(4,142,184)	-	-
Administrative expenses		(96,956,307)	(35,195,504)	(4,898,175)	(4,543,488)
Net loss on impairment of financial instruments		-	(353,042)	-	-
<b>Results from operating activities</b>		(145,557,116)	(68,702,235)	254,318	(710,340)
Finance income	18	3,698,123	6,832,449	876,603	5,103,661
Finance costs	19	(2,414,910)	(2,313,502)	-	-
(Loss)/Profit before tax	20	(144,273,903)	(64,183,288)	1,130,921	4,393,321
Tax credit/(expense)	21	1,760,242	8,295,031	96,084	(1,232,475)
<b>(Loss)/Profit and total comprehensive (expense)/ income for the year</b>		(142,513,661)	(55,888,257)	1,227,005	3,160,846
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		(142,513,661)	(55,888,257)	1,227,005	3,160,846
<b>Total comprehensive (expense)/ income attributable to:</b>					
Owners of the Company		(142,513,661)	(55,888,257)	1,227,005	3,160,846
<b>Loss per ordinary share (sen)</b>					
Basic	22	(24.61)	(9.65)		
Diluted	22	(24.61)	(9.65)		

The notes on pages 111 to 179 are an integral part of the financial statements.



# Statements

## of Changes in Equity

For the year ended 31 December 2025

Group	Attributable to owners of the Company				Total equity	
	Share capital	Treasury shares	Non-distributable	Distributable		
	RM	RM	Other reserve	Revaluation reserve	Retained profit	RM
<b>At 1 January 2024</b>	142,985,383	(5,511,616)	11,319,230	31,862,097	689,050,309	869,705,403
Loss for the year	-	-	-	-	(55,888,257)	(55,888,257)
Realisation of revaluation reserve	-	-	-	(1,584,071)	1,584,071	-
Total comprehensive expense for the year	-	-	-	(1,584,071)	(54,304,186)	(55,888,257)
<b>At 31 December 2024/ 1 January 2025</b>	142,985,383	(5,511,616)	11,319,230	30,278,026	634,746,123	813,817,146
Loss for the year	-	-	-	-	(142,513,661)	(142,513,661)
Realisation of revaluation reserve	-	-	-	(1,584,071)	1,584,071	-
Total comprehensive expense for the year	-	-	-	(1,584,071)	(140,929,590)	(142,513,661)
<b>At 31 December 2025</b>	142,985,383	(5,511,616)	11,319,230	28,693,955	493,816,533	671,303,485

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 2025

Company	Attributable to owners of the Company					Total equity RM
	Share capital RM	Treasury shares RM	Non-distributable	Distributable		
	RM	RM	Other reserve RM	Revaluation reserve RM	Retained profit RM	RM
<b>At 1 January 2024</b>	142,985,383	(5,511,616)	11,319,230	4,867,054	216,168,756	369,828,807
Profit for the year	-	-	-	-	3,160,846	3,160,846
Realisation of revaluation reserve	-	-	-	(304,265)	304,265	-
Total comprehensive income for the year	-	-	-	(304,265)	3,465,111	3,160,846
<b>At 31 December 2024/ 1 January 2025</b>	142,985,383	(5,511,616)	11,319,230	4,562,789	219,633,867	372,989,653
Profit for the year	-	-	-	-	1,227,005	1,227,005
Realisation of revaluation reserve	-	-	-	(304,265)	304,265	-
Total comprehensive income for the year	-	-	-	(304,265)	1,531,270	1,227,005
<b>At 31 December 2025</b>	142,985,383	(5,511,616)	11,319,230	4,258,524	221,165,137	374,216,658

Note 12.1    Note 12.2    Note 12.3    Note 12.4

The notes on pages 111 to 179 are an integral part of the financial statements.



# Statements of Cash Flows

For the year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from operating activities</b>					
(Loss)/Profit before tax		(144,273,903)	(64,183,288)	1,130,921	4,393,321
<i>Adjustments for:</i>					
Net loss on impairment of financial assets		-	353,042	-	-
Depreciation of right-of-use assets	3	1,178,541	755,962	-	-
Impairment of right-of-use assets		-	271,945	-	-
Interest expense		2,414,910	2,313,502	-	-
Interest income		(3,698,123)	(6,832,449)	(876,603)	(5,103,661)
Net fair value (gain)/loss on derivatives		(634,413)	439,574	-	-
Net fair value (gain)/loss on other investments		(2,036,007)	(224,180)	(1,546,119)	380,459
Property, plant and equipment:					
- (gain)/loss on disposal		(734)	979	-	-
- depreciation	2	39,035,067	39,709,078	1,074,097	1,085,181
- impairment	2	52,485,593	-	-	-
- written off	2	13,136,624	1,397,581	-	-
Inventories written down		16,096,862	10,841,780	-	-
Unrealised loss on foreign exchange		3,284,445	1,382,822	4	7
<b>Operating (loss)/profit before working capital changes</b>		(23,011,138)	(13,773,652)	(217,700)	755,307
Changes in working capital:					
Inventories		37,383,162	(34,242,353)	-	-
Receivables	(c)	33,717,220	(29,700,714)	(17,580,529)	998,415
Prepayments		1,192,179	235,991	-	-
Payables		(18,514,817)	20,492,139	(109,131)	(53,795)
Provision		-	131,500	-	-
Contract liabilities		(1,145,124)	(43,585)	-	-
<b>Cash generated from/ (used in) operations</b>		29,621,482	(56,900,674)	(17,907,360)	1,699,927



## Statements of Cash Flows (Cont'd)

For the year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash generated from/(used in) operations (Cont'd)</b>					
		29,621,482	(56,900,674)	(17,907,360)	1,699,927
Income tax paid		(766,175)	(1,801,887)	-	-
Income tax refunded		1,238,813	59,430	449,722	-
Interest received		2,605,388	4,330,789	828,435	685,342
<b>Net cash from/(used in) operating activities</b>		<b>32,699,508</b>	<b>(54,312,342)</b>	<b>(16,629,203)</b>	<b>2,385,269</b>
<hr/>					
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(28,279,432)	(38,863,530)	-	-
Proceeds from disposal of property, plant and equipment		13,000	7,450	-	-
Additions to other investments		(1,092,735)	(1,701,660)	(48,168)	(119,407)
Transfer of funds from other investments		32,919,640	10,000,000	-	10,000,000
Interest income from other investments		1,092,735	2,501,660	48,168	919,407
<b>Net cash from/(used in) investing activities</b>		<b>4,653,208</b>	<b>(28,056,080)</b>	<b>-</b>	<b>10,800,000</b>
<hr/>					
<b>Cash flows from financing activities</b>					
Drawdown of bill payables	(b)	73,607,606	109,130,859	-	-
Repayment of bill payables	(b)	(104,542,358)	(101,824,340)	-	-
Drawdown of term loans	(b)	7,851,923	-	-	-
Repayment of term loans	(b)	(3,622,050)	(2,796,000)	-	-
Repayment of lease liability	(b)	(706,159)	(275,683)	-	-
Interest paid		(2,414,910)	(2,313,502)	-	-
<b>Net cash (used in)/from financing activities</b>		<b>(29,825,948)</b>	<b>1,921,334</b>	<b>-</b>	<b>-</b>



## Statements of Cash Flows (Cont'd)

For the year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Net increase/(decrease) in cash and bank balances</b>		7,526,768	(80,447,088)	(16,629,203)	13,185,269
Effect of exchange rate fluctuations		(553,869)	(3,673,941)	(4)	(7)
<b>Cash and bank balances at beginning of the year</b>		57,061,272	141,182,301	32,525,012	19,339,750
<b>Cash and bank balances at end of the year</b>	11	64,034,171	57,061,272	15,895,805	32,525,012

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Included in net cash from operating activities</b>				
Payment relating to short-term lease	(549,722)	(915,789)	-	-
Payment relating to low-value assets	(45,679)	(71,819)	-	-
	(595,401)	(987,608)	-	-
<b>Included in net cash used in financing activities</b>				
Repayment of lease liability	(706,159)	(275,683)	-	-
Interest paid in relation to lease liability	(172,784)	(122,758)	-	-
<b>Total cash outflows for leases</b>	<b>(1,474,344)</b>	<b>(1,386,049)</b>	<b>-</b>	<b>-</b>



## Statements of Cash Flows (Cont'd)

For the year ended 31 December 2025

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

	Term loans	Bill payables	Lease liabilities	Total liabilities from financing activities
	RM	RM	RM	RM
<b>Group</b>				
<b>At 1 January 2024</b>	10,192,194	30,497,660	1,675,528	42,365,382
Acquisition of new lease liabilities	-	-	2,313,748	2,313,748
Net changes from financing cash flow	(2,796,000)	7,306,519	(275,683)	4,234,836
Foreign exchange movement	-	882,492	-	882,492
<b>At 31 December 2024/ 1 January 2025</b>	7,396,194	38,686,671	3,713,593	49,796,458
Acquisition of new lease liabilities	-	-	599,484	599,484
Net changes from financing cash flow	4,229,873	(30,934,752)	(706,159)	(27,411,038)
Foreign exchange movement	-	(569,984)	-	(569,984)
<b>At 31 December 2025</b>	11,626,067	7,181,935	3,606,918	22,414,920

### (c) Non-cash transactions

#### Investing activities

During the financial year, the Company converted the outstanding balances with a subsidiary amounted to RM20,152,000 (2024: RM84,848,912) to capital contribution as disclosed in Note 5.1 to the financial statements.

The notes on pages 111 to 179 are an integral part of the financial statements.



# 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**

Unit 11.07, Amcorp Tower  
Amcorp Trade Centre  
18, Persiaran Barat  
46050 Petaling Jaya  
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 December 2025 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 2025 do not include other entities.

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are stated in Note 5 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 15 April 2026.

## **1. Basis of preparation**

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

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting 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.



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

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

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

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

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
  - > Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - > Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - > Amendments to MFRS 9, *Financial Instruments*
  - > Amendments to MFRS 10, *Consolidated Financial Statements*
  - > Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

***MFRS Accounting Standards, 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, where applicable:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.



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

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

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

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 except for MFRS 18 *Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements and the notes. In addition, there are consequential amendments to MFRS 107 *Statement of Cash Flows*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of profit or loss and other comprehensive income, statements of cash flows and additional disclosures in the notes to financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group and the Company are currently assessing the impact of MFRS 18 and plan to adopt the new standard on the required effective date.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### (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 MFRS Accounting Standards 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 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.

##### (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.

##### (v) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences or unutilised tax losses and tax credits (including reinvestment allowance) can be utilised. Significant judgment is required to determine the amount of deferred tax assets that can be recognised based on the likely timing and level of future taxable profits together with future tax planning strategies.



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

### 2. Property, plant and equipment

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	RM	RM	RM	RM	RM	RM	
<b>Cost/valuation</b>															
<b>At 1 January 2024</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							
Additions	-	900,908	23,450	5,534,137	144,440	408,820	31,851,775	38,863,530							
Transfer	-	5,772,728	3,427,181	20,091,527	-	102,635	(29,394,071)	-							
Disposal	-	-	-	-	(171,950)	-	-	(171,950)							(171,950)
Written off	-	(846,967)	-	(1,871,669)	-	-	-	-							(2,718,636)
<b>At 31 December 2024/</b>															
<b>1 January 2025</b>	32,125,745	81,616,004	10,311,114	433,041,616	4,956,051	14,388,405	58,082,518	634,521,453							
Additions	-	191,880	144,360	8,511,131	-	285,226	19,146,835	28,279,432							
Transfer	-	735,538	-	9,462,712	-	31,500	(10,229,750)	-							
Disposal	-	-	-	-	(45,863)	-	-	(45,863)							(45,863)
Written off	-	-	-	(98,096,541)	-	(5,284,676)	(4,118,275)	(107,499,492)							(107,499,492)
<b>At 31 December 2025</b>	32,125,745	82,543,422	10,455,474	352,918,918	4,910,188	9,420,455	62,881,328	555,255,530							



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

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

Group	Freehold land		Factory and office buildings		Infrastructure		Plant machinery and formers		Motor vehicles and fittings		Office equipment, furniture and fittings		Capital work-in-progress		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Depreciation and impairment</b>															
<b>At 1 January 2024</b>															
Accumulated depreciation	-	21,920	2,995,724	166,209,463	2,145,669	8,686,639	-	180,059,415							
Accumulated impairment losses	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							
Depreciation for the year	-	5,520,113	770,069	31,308,450	615,360	1,495,086	-	39,709,078							
Disposal	-	-	-	-	(163,521)	-	-	(163,521)							
Written off	-	(383,308)	-	(937,747)	-	-	-	(1,321,055)							
<b>At 31 December 2024/ 1 January 2025</b>															
Accumulated depreciation	-	5,158,725	3,765,793	196,580,166	2,597,508	10,181,725	-	218,283,917							
Accumulated impairment losses	115,745	329,115	-	-	-	-	-	444,860							
	115,745	5,487,840	3,765,793	196,580,166	2,597,508	10,181,725	-	218,728,777							
Depreciation for the year	-	5,717,883	960,067	30,503,259	619,064	1,234,794	-	39,035,067							
Disposal	-	-	-	-	(33,597)	-	-	(33,597)							
Impairment loss	-	-	-	52,485,593	-	-	-	52,485,593							
Written off	-	-	-	(89,097,967)	-	(5,264,901)	-	(94,362,868)							



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

### 2. 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	RM	RM	RM	RM	RM	RM	
<b>At 31 December 2025</b>															
Accumulated depreciation	-	10,876,608	4,725,860	137,985,458	3,182,975	6,151,618	-	-	-	-	-	-	-	-	162,922,519
Accumulated impairment losses	115,745	329,115	-	52,485,593	-	-	-	-	-	-	-	-	-	-	52,930,453
	115,745	11,205,723	4,725,860	190,471,051	3,182,975	6,151,618	-	-	-	-	-	-	-	-	215,852,972
<b>Carrying amounts</b>															
At 1 January 2024	32,010,000	75,438,300	3,864,759	243,078,158	2,837,892	5,190,311	55,624,814	418,044,234							
At 31 December 2024/ 1 January 2025	32,010,000	76,128,164	6,545,321	236,461,450	2,358,543	4,206,680	58,082,518	415,792,676							
At 31 December 2025	32,010,000	71,337,699	5,729,614	162,447,867	1,727,213	3,268,837	62,881,328	339,402,558							



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

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

Company	Freehold land	Factory and office buildings	Infrastructure	Motor vehicles	Office equipment, furniture and fittings	Total
	RM	RM	RM	RM	RM	RM
<b>Cost/valuation</b>						
At 1 January 2024/31 December 2024/1 January 2025	6,340,000	10,490,000	266,563	300,417	91,000	17,487,980
Transfer to investment property	(6,340,000)	(10,490,000)	-	-	-	(16,830,000)
<b>At 31 December 2025</b>	-	-	266,563	300,417	91,000	657,980
<b>Depreciation</b>						
At 1 January 2024	-	-	186,572	147,706	12,030	346,308
Depreciation for the year	-	1,023,721	18,739	30,041	12,680	1,085,181
<b>At 31 December 2024/1 January 2025</b>	-	1,023,721	205,311	177,747	24,710	1,431,489
Depreciation for the year	-	1,023,721	7,654	30,042	12,680	1,074,097
Transfer to investment property	-	(2,047,442)	-	-	-	(2,047,442)
<b>At 31 December 2025</b>	-	-	212,965	207,789	37,390	458,144
<b>Carrying amounts</b>						
At 1 January 2024	6,340,000	10,490,000	79,991	152,711	78,970	17,141,672
At 31 December 2024/1 January 2025	6,340,000	9,466,279	61,252	122,670	66,290	16,056,491
At 31 December 2025	-	-	53,598	92,628	53,610	199,836



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

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

#### 2.1 Assets pledged as security

Freehold land, factory and office buildings, plant, machinery and formers of the Group with total carrying amount of RM35,992,123 (2024: RM27,670,414) have been pledged as security to secure term loans and credit facilities of the Group as disclosed in Note 13 to the financial statements.

#### 2.2 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.

#### 2.3 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

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>2025</b>			
Freehold lands	21,115,838	-	21,115,838
Factory and office buildings	80,898,352	(29,382,138)	51,516,214
	102,014,190	(29,382,138)	72,632,052
<b>2024</b>			
Freehold lands	21,115,838	-	21,115,838
Factory and office buildings	79,970,934	(26,584,038)	53,386,896
	101,086,772	(26,584,038)	74,502,734



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

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

#### 2.4 Fair value information

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

	2025 RM	2024 RM
<b>Group</b>		
<b>Level 3</b>		
Freehold lands	32,010,000	32,010,000
Factory and office buildings	71,337,699	76,128,164
	103,347,699	108,138,164
<b>Company</b>		
<b>Level 3</b>		
Freehold lands	-	6,340,000
Factory and office buildings	-	9,466,279
	-	15,806,279

#### 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 in December 2023 using the market approach method and cost approach method.

#### 2.5 Impairment of property, plant and equipment

During the current and prior financial year, property, plant and equipment including certain right-of-use assets was tested for impairment due to impairment indicators resulted from 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 and right-of-use assets:

- (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 between 5% to 9% (2024: 5% to 10%) 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 13.63% (2024: 15.21%) was applied in determining the recoverable amount of the assets.

The abovementioned impairment testing has resulted in impairment losses amounting to RM52,485,593 on the property, plant and equipment, reducing their carrying amounts to their respective recoverable amounts for the year of RM236,054,859.



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

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

#### 2.5 Impairment of property, plant and equipment (Cont'd)

##### *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 an addition impairment loss on the carrying amounts of property, plant and equipment, assuming no change in other variables, is as follows:

Key assumption	Addition in impairment loss RM
Increase in pre-tax discount rate by 0.5%	9,055,000

#### 2.6 Transfer to investment property

During the financial year ended 31 December 2025, the freehold land, factory and office buildings of the Company were transferred to investment property because they were no longer partially used by the Company and were all leased to a subsidiary of the Company.

#### 2.7 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:

	2025 RM	2024 RM
<b>Company</b>		
Lease income	-	1,560,000

The operating lease payments to be received are as follows:

	2025 RM	2024 RM
<b>Company</b>		
Less than one year	-	1,560,000
Total undiscounted lease payments	-	1,560,000



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

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

#### 2.8 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 disposed, 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)

### 3. Right-of-use assets

	Leasehold lands RM	Plant and equipment RM	Total RM
<b>Group</b>			
<b>Cost/Valuation</b>			
<b>At 1 January 2024</b>	14,608,998	690,815	15,299,813
Addition	-	2,313,748	2,313,748
<b>At 31 December 2024/1 January 2025</b>	14,608,998	3,004,563	17,613,561
Addition	-	599,484	599,484
<b>At 31 December 2025</b>	14,608,998	3,604,047	18,213,045
<b>Depreciation and impairment</b>			
<b>At 1 January 2024</b>			
Accumulated depreciation	-	5,756	5,756
	-	5,756	5,766
Depreciation for the year	433,874	322,088	755,962
Impairment loss	271,945	-	271,945
<b>At 31 December 2024/1 January 2025</b>			
Accumulated depreciation	433,874	327,844	761,718
Accumulated impairment loss	271,945	-	271,945
	705,819	327,844	1,033,663
Depreciation for the year	433,874	744,667	1,178,541
<b>At 31 December 2025</b>			
Accumulated depreciation	867,748	1,072,511	1,940,259
Accumulated impairment loss	271,945	-	271,945
	1,139,693	1,072,511	2,212,204
<b>Carrying amounts</b>			
At 1 January 2024	14,608,998	685,059	15,294,057
At 31 December 2024/1 January 2025	13,903,179	2,676,719	16,579,898
At 31 December 2025	13,469,305	2,531,536	16,000,841



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

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

The Group's leasehold lands have lease term ranging from 204 to 442 months. The leasehold land with carrying amount of RM12,960,526 (2024: RM13,355,263) has been pledged as security to secure bill payables facility of the Group as disclosed in Note 13 to the financial statements.

#### 3.1 Revaluation of leasehold lands

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.

#### 3.2 Fair value information

Fair value of leasehold lands categorised as follows:

	2025	2024
	RM	RM
<b>Group</b>		
<b>Level 3</b>		
Leasehold lands	13,469,305	13,903,179
	13,469,305	13,903,179

##### Level 3 fair value

##### Leasehold land

The fair value of leasehold lands are based on valuation by independent external valuers in December 2023 using the market approach method and the Group has also adopted income approach method by using recent rental per square meter and discount rate.



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

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

#### 3.3 Material accounting policy information

##### (i) Definition of a lease

At inception or on reassessment of a contract that contains a lease component, the Group allocates 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 is a lessee, it has 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 disposed, 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 recognises 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)

### 4. Investment properties

	Freehold land RM	Factory and office buildings RM	Total RM
<b>Group</b>			
<b>Cost</b>			
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	26,421,848	-	26,421,848
<b>Company</b>			
<b>Cost</b>			
At 1 January 2025	-	-	-
Transfer from property, plant and equipment	6,340,000	10,490,000	16,830,000
At 31 December 2025	6,340,000	10,490,000	16,830,000
<b>Depreciation</b>			
At 1 January 2025	-	-	-
Transfer from property, plant and equipment	-	2,047,442	2,047,442
At 31 December 2025	-	2,047,442	2,047,442
<b>Carrying amounts</b>			
At 1 January 2025	-	-	-
At 31 December 2025	6,340,000	8,442,558	14,782,558

Investment properties of the Group comprise of freehold land that are held for capital appreciation purposes, while investment properties of the Company comprise of freehold land, factory and office buildings that are leased to a subsidiary. The Company leases its freehold land, factory and office buildings to a subsidiary for a period of twelve months. Subsequent renewals are negotiated with the subsidiary. These leases do not include residual value guarantees.

#### 4.1 Property transferred to investment properties

During the financial year ended 31 December 2025, the freehold land, factory and office buildings of the Company have been transferred to investment property (see Note 2) since they were no longer partially used by the Company and were all leased to a subsidiary of the Company.



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

### 4. Investment properties (Cont'd)

#### 4.2 Other income/expenses recognised in profit or loss in relation to investment properties

	2025 RM	2024 RM
<b>Group</b>		
Direct operating expenses:		
- non-income generating investment properties	3,524	-

	2025 RM	2024 RM
<b>Company</b>		
Lease income	960,000	-
Direct operating expenses:		
- income generating investment properties	1,049,559	-

#### 4.3 Maturity analysis of operating lease payments

	2025 RM	2024 RM
<b>Company</b>		
Less than one year	960,000	-
Total undiscounted lease payments	960,000	-



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

### 4. Investment properties (Cont'd)

#### 4.4 Fair value information

Fair value of investment properties are categorised as follows:

	2025 RM	2024 RM
<b>Group</b>		
Level 3		
Freehold land	27,100,000	27,100,000
<b>Company</b>		
<b>Level 3</b>		
Freehold land	6,340,000	-
Factory and office buildings	10,490,000	-
	16,830,000	-

#### Valuation process applied by the Group and Company for Level 3 fair value

Fair value of the freehold lands, factory and office buildings have been derived using the sales comparison method and the cost approach 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. The cost approach method being the Depreciated Replacement Cost (DRC) of the buildings and other improvements.

#### 4.5 Material accounting policy information

##### (i) Recognition and measurement

Investment properties which are owned are measured initially and subsequently at cost less any accumulated depreciation and any accumulated impairment losses.

##### (ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, the transfer do not change the carrying amount of the property transferred and do not change the cost of that property for measurement or disclosure purposes. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.



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

### 5. Investment in subsidiaries

	Note	Company	
		2025 RM	2024 RM
Unquoted shares, at cost		213,586,007	213,586,007
Add: Capital contribution	5.1	105,000,912	84,848,912
Less: Impairment loss		(10,856,002)	(10,856,002)
		307,730,917	287,578,917

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest	
			2025 %	2024 %
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.	Malaysia	Investment holding, property development and construction	100	100



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

### 5. Investment in subsidiaries (Cont'd)

Details of the subsidiaries are as follows: (Cont'd)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest	
			2025 %	2024 %
<b>Subsidiaries of Comfort Rubber Gloves Industries Sdn. Bhd.</b>				
Gallant Quality Sdn. Bhd.	Malaysia	Trading of latex gloves	100	100

**5.1** Capital contributions are advances to a subsidiary which are unsecured, interest free and repayment of the advances is at the discretion of the subsidiary. As these advances are, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss.

#### **5.2 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)

### 6. Deferred tax assets/(liabilities)

#### Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
<b>Group</b>						
Property, plant and equipment	-	-	(28,271,747)	(44,472,546)	(28,271,747)	(44,472,546)
Investment properties	-	-	(496,446)	(496,446)	(496,446)	(496,446)
Unutilised tax losses	576,764	16,234,619	-	-	576,764	16,234,619
Unutilised capital allowances	47,127,985	40,229,225	-	-	47,127,985	40,229,225
Unutilised reinvestment allowances	-	2,074,772	-	-	-	2,074,772
Others	1,904,981	6,767,648	(1,240)	(823,510)	1,903,741	5,944,138
Tax assets/(liabilities)	49,609,730	65,306,264	(28,769,433)	(45,792,502)	20,840,297	19,513,762
Set off of tax	(28,262,508)	(44,443,820)	28,262,508	44,443,820	-	-
Net tax assets/(liabilities)	21,347,222	20,862,444	(506,925)	(1,348,682)	20,840,297	19,513,762



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

### 6. Deferred tax assets/(liabilities) (Cont'd) Recognised deferred tax assets/(liabilities) (Cont'd)

Deferred tax assets and liabilities are attributable to the following: (Cont'd)

	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
	RM	RM	RM	RM	RM	RM
<b>Company</b>						
Property, plant and equipment	-	-	(496,135)	(906,829)	(496,135)	(906,829)
Unutilised tax losses	576,764	891,374	-	-	576,764	891,374
Tax assets/(liabilities)	576,764	891,374	(496,135)	(906,829)	80,629	(15,455)
Set off of tax	(496,135)	(891,374)	496,135	891,374	-	-
Net tax assets/(liabilities)	80,629	-	-	(15,455)	80,629	(15,455)

The Group recognises deferred tax assets on the basis of the Group's business planning; the realisation of these assets is assessed as probable. This assessment involves a review by management of the expected profits in the business plan. Accordingly, recognised and unrecognised deferred tax assets are subject to estimation uncertainty and there is a significant risk that the carrying amount will require adjustment in subsequent periods. The estimates are, in particular, subject to the estimation uncertainties inherent in business planning which affect the likely utilisation of unutilised tax losses, unutilised capital allowances and unutilised reinvestment allowances.



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

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

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2025	2024
	RM	RM
<b>Group</b>		
Unutilised tax losses	125,534,193	-
Unutilised capital allowances	8,842,296	-
Unutilised reinvestment allowances	14,960,731	-
	149,337,220	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

Pursuant to the latest tax legislation, unutilised tax losses from a year of assessment ("YA") can only be carried forward up to 10 consecutive YAs. The table below shows the unutilised tax losses will expire in the following YA:

	Group	
	2025	2024
	RM	RM
<b>Expiry</b>		
YA 2032	17,212,436	-
YA 2033	27,587,488	-
YA 2034	18,987,314	-
YA 2035	61,746,955	-
	125,534,193	-

The unutilised capital allowances and unutilised reinvestment allowances do not expire under current tax legislation.



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

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

#### Movement in temporary differences during the financial year

	At 1.1.2024	Recognised in profit or loss (Note 21)	At 31.12.2024/ 1.1.2025	Recognised in profit or loss (Note 21)	At 31.12.2025
	RM	RM	RM	RM	RM
<b>Group</b>					
Property, plant and equipment	(35,174,831)	(9,297,715)	(44,472,546)	16,200,799	(28,271,747)
Investment properties	(496,446)	-	(496,446)	-	(496,446)
Unutilised tax losses	12,681,750	3,552,869	16,234,619	(15,657,855)	576,764
Unutilised capital allowances	24,994,307	15,234,918	40,229,225	6,898,760	47,127,985
Unutilised reinvestment allowances	667,166	1,407,606	2,074,772	(2,074,772)	-
Others	1,935,253	4,008,885	5,944,138	(4,040,397)	1,903,741
	4,607,199	14,906,563	19,513,762	1,326,535	20,840,297
<b>Company</b>					
Property, plant and equipment	(901,672)	(5,157)	(906,829)	410,694	(496,135)
Unutilised tax losses	2,118,692	(1,227,318)	891,374	(314,610)	576,764
	1,217,020	(1,232,475)	(15,455)	96,084	80,629



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

### 7. Inventories

	Group	
	2025	2024
	RM	RM
<b>At cost</b>		
Finished goods	16,272,792	27,379,940
Work in progress	28,874,284	62,689,087
Raw materials	9,107,801	16,559,372
Packing materials	498,805	1,160,813
Chlorination chemicals	49,569	23,306
Consumables	151,963	131,788
Rights to recover returned goods	260,016	750,948
	55,215,230	108,695,254

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year are RM239,333,409 (2024: RM196,950,265).

#### 7.1 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)

### 8. Trade and other receivables

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Current Trade</b>					
Trade receivables		50,872,783	94,183,936	-	-
Less: Impairment loss		-	(5,814,043)	-	-
	(a)	50,872,783	88,369,893	-	-
<b>Non-trade</b>					
Other receivables		90,861	139,248	70,617	73,959
Amount owing by subsidiaries	(b)	-	-	8,330,960	10,899,089
Deposits		1,990,622	1,852,688	109,000	109,000
		2,081,483	1,991,936	8,510,577	11,082,048
<b>Total</b>		52,954,266	90,361,829	8,510,577	11,082,048

- (a) Trade receivables are non-interest bearing and the normal trade credit terms range from 30 to 120 days (2024: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.
- (b) The current non-trade amount owing by subsidiaries is unsecured, interest free, repayable on demand and is expected to be settled by cash.



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

### 9. Derivative financial assets/(liabilities)

	2025			2024		
	Nominal value RM	Assets RM	Liabilities RM	Nominal value RM	Assets RM	Liabilities RM
<b>Group</b>						
Derivatives at fair value through profit or loss						
- Forward foreign exchange contracts	16,422,595	203,245	(8,406)	11,145,180	-	(439,574)
	16,422,595	203,245	(8,406)	11,145,180	-	(439,574)

Forward foreign exchange contracts are used to manage the foreign currency exposures arising from the company's receivables and payables denominated in currencies other than the functional currencies of the company. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period and have matured subsequent to year end.

### 10. Other investments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Investment in unit trusts	77,681,779	107,472,677	27,544,552	25,950,265

#### 10.1 Material accounting policy information

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

### 11. Cash and cash equivalents

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash on hand and bank balances	21,762,111	47,061,272	5,623,745	22,525,012
Deposits placed with licensed banks	42,272,060	10,000,000	10,272,060	10,000,000
	64,034,171	57,061,272	15,895,805	32,525,012



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

### 12. Share capital and reserves

#### 12.1 Share capital

	Group and Company			
	2025		2024	
	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

During the financial year, there is no repurchased of ordinary shares from the open market made by the Company.

The total 582,949,143 issued and fully paid ordinary shares as at 31 December 2025, 3,949,200 are held as treasury shares by the Company. As at 31 December 2025, the number of outstanding ordinary shares in issue and fully paid is therefore 578,999,943 ordinary shares.

#### 12.3 Other reserves

	Group and Company	
	2025	2024
	RM	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 and leasehold land, factory and office buildings of the Group and of the Company, net of deferred tax.



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

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

#### 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 2025, there are 174,132,762 (2024: 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.
- (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.



## 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)

- (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 2025 RM	2024 RM
<b>Non-current</b>			
Term loans		6,847,547	4,600,194
Lease liabilities		2,830,128	3,106,154
		9,677,675	7,706,348
<b>Current</b>			
Term loans		4,778,520	2,796,000
Bill payables		7,181,935	38,686,671
Lease liabilities		776,790	607,439
		12,737,245	42,090,110
<b>Total loans and borrowings</b>			
Term loans	(a)	11,626,067	7,396,194
Bill payables	(b)	7,181,935	38,686,671
Lease liabilities	(c)	3,606,918	3,713,593
		22,414,920	49,796,458

#### (a) Term loan

Term loan 1 of a subsidiary of RM4,600,194 (2024: RM7,396,194) bears interest at 4.52% to 4.86% (2024: 4.85% to 4.95%) 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 2.1 to the financial statements; and
- (ii) Corporate guarantee by the Company.

Term loan 2 of a subsidiary of RM7,025,873 bears interest at 4.02% to 4.33% per annum and is repayable by monthly principal instalments of RM165,210 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 plant, machinery and formers of a subsidiary as disclosed in Note 2.1 to the financial statements; and
- (ii) Corporate guarantee by the Company.



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

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

#### (b) Bill payables

The bill payables bear interest at 4.27% to 4.32% (2024: 3.6% to 5.19%) 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 2.1 to the financial statements;
- (ii) Legal charge over the leasehold land of a subsidiary as disclosed in Note 3 to the financial statements; and
- (iii) Corporate guarantee by the Company.

#### (c) Lease liabilities

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Not later than one year	776,790	607,439
Later than one year and not later than five years	1,570,746	1,761,775
Later than five years	1,259,382	1,344,379
	<b>3,606,918</b>	<b>3,713,593</b>

### 14. Provision for restoration

	<b>Site Restoration RM</b>
<b>Group</b>	
At 1 January 2024	2,588,487
Provisions made during the year	131,500
At 31 December 2024/1 January 2025/31 December 2025	2,719,987
<b>2025</b>	
Non-current	2,719,987
Current	-
	<b>2,719,987</b>



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

### 14. Provision for restoration (Cont'd)

#### Site restoration

Provisions were made in respect of a subsidiary's obligation to reinstate lands to condition prior to tenancy by the end of the lease period.

### 15. Trade and other payables

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Current Trade</b>					
Trade payables	(a)	19,215,591	35,308,128	-	-
Supply chain financing	(b)	1,619,000	1,985,521	-	-
		20,834,591	37,293,649	-	-
<b>Non-trade</b>					
Other payables	(c)	11,690,684	8,318,783	50,158	14,825
Accruals		13,758,475	19,620,816	746,343	890,807
		25,449,159	27,939,599	796,501	905,632
<b>Total</b>		46,283,750	65,233,248	796,501	905,632

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days (2024: 30 days to 90 days) from the date of invoice.



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

### 15. Trade and other payables (Cont'd)

- (b) Supply chain financing agreement (SCF) 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.

Group	Total SCF trade payables RM	Not yet paid by finance provider RM	Paid by finance provider RM
At 31 December 2024/1 January 2025	3,407,461	1,421,940	1,985,521
At 31 December 2025	2,908,665	1,289,665	1,619,000

Range of payment due dates (after invoice date):

	Trade payables that are part of SCF	Comparable trade payables that not are part of SCF
As at 31 December 2024/1 January 2025/31 December 2025	0 – 90 days	30 – 90 days

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. The payments to a supplier by the bank are considered non-cash transactions and amount to RM11,499,423 (2024: RM12,961,541).

- (c) Other payable are unsecured and non-interest bearing. Included in other payables is an amount due to a Director totalling Nil (2024: RM289,768) which is unsecured, interest-free, repayable upon demand and are expected to be settled by cash.



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

### 16. Contract liabilities

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Refund liabilities	953,805	953,805
Consideration received in advance	567,401	1,712,525
	<b>1,521,206</b>	<b>2,666,330</b>

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:

	<b>Group</b>	
	<b>Contract liabilities</b>	
	<b>(Increase)/Decrease</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Revenue recognised that was included in contract liabilities at the beginning of the year	1,712,525	1,450,783
Increase due to consideration received from customers, but revenue not recognised	(567,401)	(1,712,525)



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

### 17. Revenue

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue from contracts with customers</b>				
Sales of latex gloves	333,588,941	346,756,835	-	-
<b>Other revenue</b>				
Management fee	-	-	2,646,399	2,273,155
	333,588,941	346,756,835	2,646,399	2,273,155
<b>Timing of revenue recognition:</b>				
At a point in time	333,588,941	346,756,835	-	-

#### 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	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Interest income of financial assets that are measured at amortised cost:</b>				
Interest income from fixed deposits	2,605,388	4,330,789	828,435	685,342
Interest income from loan to subsidiary	-	-	-	3,498,912
<b>Interest income of financial assets that are measured at fair value through profit or loss:</b>				
Distribution from other investments	1,092,735	2,501,660	48,168	919,407
	3,698,123	6,832,449	876,603	5,103,661

### 19. Finance costs

	Group	
	2025 RM	2024 RM
<b>Interest expense of financial liabilities that are not at fair value through profit or loss</b>		
- bank overdrafts	-	414
- bill payables	1,693,501	1,754,901
- lease liability	172,784	122,758
- term loans	548,625	435,429
	2,414,910	2,313,502



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

### 20. (Loss)/Profit before tax

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>(Loss)/Profit before tax is arrived at after charging/ (crediting):</b>					
<b>Auditors' remuneration</b>					
Audit fees					
- KPMG PLT		285,000	285,000	125,000	125,000
Non-audit fees					
- KPMG PLT		15,000	15,000	15,000	15,000
- Local affiliate of KPMG PLT		146,000	218,100	88,800	83,716
<b>Material expenses/(income)</b>					
Loss on foreign exchange:					
- realised		2,518,554	2,589,765	21	-
- unrealised		3,284,445	1,382,822	4	7
Net fair value loss on derivatives		(634,413)	439,574	-	-
Net fair value (gain)/loss on other investments		(2,036,007)	(224,180)	(1,546,119)	380,459
Property, plant and equipment:					
- net (gain)/loss on disposal		(734)	979	-	-
- depreciation	2	39,035,067	39,709,078	1,074,097	1,085,181
- impairment loss	2	52,485,593	-	-	-
- written off		13,136,624	1,397,581	-	-
Right-of-use assets:					
- depreciation	3	1,178,541	755,962	-	-
- impairment loss		-	271,945	-	-
Directors' remuneration	20.1	6,171,534	7,765,826	392,375	416,000
Personnel expenses (excluding key management personnel):					
- salaries, wages, bonuses and allowances		55,206,481	51,136,126	2,255,192	1,521,117
- defined contribution plan		3,552,930	2,508,133	151,632	187,710
Insurance recovery		(6,172)	(104,975)	-	-
Inventories written down		16,096,862	10,841,780	-	-



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

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

Note	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>(Loss)/Profit before tax is arrived at after charging/ (crediting): (Cont'd)</b>				
<b>Expenses arising from leases</b>				
Expenses relating to short-term leases	549,722	915,789	-	-
Expenses relating to low-value assets	45,679	71,819	-	-
<b>Net loss on impairment of financial instruments:</b>				
Financial assets at amortised cost				
Trade receivables	-	353,042	-	-

#### 20.1 Directors' remuneration

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Executive directors:</b>				
Salaries and other emoluments	4,867,838	6,095,736	-	-
Defined contribution plan	903,188	1,158,090	-	-
	5,771,026	7,253,826	-	-
<b>Non-executive directors:</b>				
Fees	321,875	350,000	321,875	350,000
Other emoluments	77,633	162,000	70,500	66,000
	399,508	512,000	392,375	416,000
Total directors' remuneration	6,170,534	7,765,826	392,375	416,000
Benefit-in-kind	51,950	51,950	-	-



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

### 21. Taxation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current tax expense</b>				
Current year	101,672	726,237	-	-
(Over)/Under provision in prior year	(535,379)	5,885,295	-	-
	(433,707)	6,611,532	-	-
<b>Deferred tax</b>				
Current year	3,005,386	(15,725,492)	93,067	1,232,475
(Over)/Under provision in prior year	(4,331,921)	818,929	(189,151)	-
	(1,326,535)	(14,906,563)	(96,084)	1,232,475
	(1,760,242)	(8,295,031)	(96,084)	1,232,475

#### Reconciliation of tax (credit)/expense

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(144,273,903)	(64,183,288)	1,130,921	4,393,321
Income tax calculated using Malaysian tax rate of 24%	(34,625,737)	(15,403,989)	271,421	1,054,397
Non-deductible expenses	2,697,737	2,015,350	100,700	435,234
Non-taxable income	(610,030)	(1,287,299)	(182,970)	(33,600)
Utilisation of previously unrecognised tax losses and capital allowance	-	(127,472)	-	(127,472)
Crystallisation of deferred tax liability on revaluation of property	(195,845)	(195,845)	(96,084)	(96,084)
Effect of unrecognised deferred tax Under provision in prior year	35,840,933	-	-	-
	(4,867,300)	6,704,224	(189,151)	-
	(1,760,242)	(8,295,031)	(96,084)	1,232,475

The Group have ongoing court hearing as disclosed in Note 28.



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

### 22. Loss per ordinary share

#### Basic earnings per ordinary share

The calculation of basic loss per ordinary share at 31 December 2025 and 31 December 2024 were based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2025 RM	2024 RM
Loss for the year attributable to owners of the Company	(142,513,661)	(55,888,257)
<b>Weighted average number of ordinary shares outstanding</b>		
Issued ordinary shares at the beginning of the year	578,999,943	578,999,943
Effect of treasury shares held	-	-
Weighted average number of ordinary shares (basic)	578,999,943	578,999,943
Basic loss per ordinary share (sen)	(24.61)	(9.65)

#### 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.



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

### 23. 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.

#### 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.

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

## 23. Operating segments (Cont'd)

2025	Manufacturing		Investment holding		Trading		Others		Inter-segment eliminations		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	Notes	
<b>Segment profit/(loss) before tax</b>	(145,242,068)	1,130,921	350,981	(513,737)	-	A	(144,273,903)				
<i>Included in the measure of segment profit/(loss) are:</i>											
<b>Revenue</b>											
Revenue from external customers	329,573,090	-	4,015,851	-	-	-	333,588,941				
Inter-segment revenue	3,662,843	2,646,399	-	-	(6,309,242)	B	-				
<b>Total revenue</b>	333,235,933	2,646,399	4,015,851	-	(6,309,242)		333,588,941				
<b>Other items</b>											
Interest income	2,418,678	876,603	402,812	30	-	-	3,698,123				
Interest expense	(2,414,910)	-	-	-	-	-	(2,414,910)				
Property, plant and equipment:											
- depreciation	(37,954,018)	(1,074,097)	(6,952)	-	-	-	(39,035,067)				
- gain on disposal	734	-	-	-	-	-	734				
- impairment loss	(52,485,593)	-	-	-	-	-	(52,485,593)				
- written off	(13,136,624)	-	-	-	-	-	(13,136,624)				
Depreciation of right-of-use assets	(1,178,541)	-	-	-	-	-	(1,178,541)				
Inventories written down	(16,096,862)	-	-	-	-	-	(16,096,862)				
Net fair value gain on derivatives	634,413	-	-	-	-	-	634,413				
Net fair value gain on other investments	489,888	1,546,119	-	-	-	-	2,036,007				
Unrealised foreign exchange loss	(3,273,163)	(4)	(11,035)	(243)	-	-	(3,284,445)				
<b>Assets</b>											
Additions to non-current assets	28,878,916	-	-	-	-	-	28,878,916				
<b>Segment assets</b>	653,916,843	375,013,159	17,613,414	21,844,808	(323,629,545)	C	744,758,679				
<b>Liabilities</b>											
Segment liabilities	87,889,905	796,501	3,283,066	8,798,680	(27,312,958)	D	73,455,194				



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

### 23. Operating segments (Cont'd)

	Manufacturing		Investment holding		Trading		Others		Inter-segment eliminations		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	Notes	
<b>2024</b>											
<b>Segment profit/(loss) before tax</b>	29,222	4,393,321	(531,485)	(774,346)	(67,300,000)	A					(64,183,288)
<i>Included in the measure of segment profit/ (loss) are:</i>											
<b>Revenue</b>											
Revenue from external customers	341,138,939	-	5,617,896	-	-	-	-	-	-	-	346,756,835
Inter-segment revenue	3,719,865	2,273,155	-	-	(5,993,020)	B					-
Total revenue	344,858,804	2,273,155	5,617,896	-	(5,993,020)						346,756,835
<b>Other items</b>											
Interest income	2,335,066	5,103,661	2,892,558	76	(3,498,912)						6,832,449
Interest expense	(5,812,414)	-	-	-	3,498,912						(2,313,502)
Property, plant and equipment:											
- depreciation	(38,616,946)	(1,085,181)	(6,951)	-	-	-	-	-	-	-	(39,709,078)
- loss on disposal	(979)	-	-	-	-	-	-	-	-	-	(979)
- written off	(1,397,581)	-	-	-	-	-	-	-	-	-	(1,397,581)
Right-of-use assets:											
- depreciation	(755,962)	-	-	-	-	-	-	-	-	-	(755,962)
- impairment loss	(271,945)	-	-	-	-	-	-	-	-	-	(271,945)
Net loss on impairment of financial instruments	(353,042)	-	-	-	-	-	-	-	-	-	(353,042)
Inventories written down	(10,841,780)	-	-	-	-	-	-	-	-	-	(10,841,780)
Net fair value gain on other investments	604,639	(380,459)	-	-	-	-	-	-	-	-	224,180
Unrealised foreign exchange gain/(loss)	912,635	(7)	(2,293,786)	(1,664)	-	-	-	-	-	-	(1,382,822)
<b>Assets</b>											
Additions to non-current assets	41,177,278	-	-	-	-	-	-	-	-	-	41,177,278
Segment assets	813,374,384	373,910,739	15,394,274	21,839,363	(288,497,335)	C					936,021,425
<b>Liabilities</b>											
Segment liabilities	122,661,527	921,087	2,674,916	8,279,498	(12,332,749)	D					122,204,279



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

### 23. Operating segments (Cont'd)

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

- A Inter-segment expenses and other operating income are eliminated on consolidation;
- B Inter-segment revenues 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>2025</b>		
Malaysia	12,205,713	381,847,458
United States of America and Canada	225,459,232	-
Asia (excluding Malaysia)	47,342,627	-
Europe	39,159,249	-
Others	9,422,120	-
	<b>333,588,941</b>	<b>381,847,458</b>
<b>2024</b>		
Malaysia	6,675,949	458,816,633
United States of America and Canada	238,129,401	-
Asia (excluding Malaysia)	51,355,957	-
Europe	36,134,068	-
Others	14,461,460	-
	<b>346,756,835</b>	<b>458,816,633</b>

#### **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		Segment
	2025 RM	2024 RM	
Customer A	116,329,021	131,177,726	Manufacturing



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

### 24. Financial instruments

#### 24.1 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>2025</b>			
<b>Financial assets</b>			
Trade and other receivables	52,954,266	52,954,266	-
Derivative financial assets	203,245	-	203,245
Other investments	77,681,779	-	77,681,779
Cash and cash equivalents	64,034,171	64,034,171	-
	194,873,461	116,988,437	77,885,024
<b>Financial liabilities</b>			
Loan and borrowings	(18,808,002)	(18,808,002)	-
Trade and other payables	(46,283,750)	(46,283,750)	-
Derivative financial liabilities	(8,406)	-	(8,406)
	(65,100,158)	(65,091,752)	(8,406)
<b>2024</b>			
<b>Financial assets</b>			
Trade and other receivables	90,361,829	90,361,829	-
Other investments	107,472,677	-	107,472,677
Cash and cash equivalents	57,061,272	57,061,272	-
	254,895,778	147,423,101	107,472,677
<b>Financial liabilities</b>			
Loan and borrowings	(46,082,865)	(46,082,865)	-
Trade and other payables	(65,233,248)	(65,233,248)	-
Derivative financial liabilities	(439,574)	-	(439,574)
	(111,755,687)	(111,316,113)	(439,574)



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

### 24. Financial instruments (Cont'd)

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

Company	Carrying amount RM	AC RM	FVTPL RM
<b>2025</b>			
<b>Financial assets</b>			
Other receivables	8,510,577	8,510,577	-
Other investments	27,544,552	-	27,544,552
Cash and cash equivalents	15,895,805	15,895,805	-
	51,950,934	24,406,382	27,544,552
<b>Financial liabilities</b>			
Other payables	(796,501)	(796,501)	-
<b>2024</b>			
<b>Financial assets</b>			
Other receivables	11,082,048	11,082,048	-
Other investments	25,950,265	-	25,950,265
Cash and cash equivalents	32,525,012	32,525,012	-
	69,557,325	43,607,060	25,950,265
<b>Financial liabilities</b>			
Other payables	(905,632)	(905,632)	-



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

### 24. Financial instruments (Cont'd)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Net gains/(losses) on:</b>				
Financial assets at amortised cost	(4,157,377)	1,217,852	828,410	4,184,247
Financial assets at fair value through profit or loss	3,763,155	2,286,268	1,594,287	538,948
	(394,222)	3,504,120	2,422,697	4,723,195
Financial liabilities at amortised cost	(1,282,359)	(3,403,436)	-	-
	(1,282,359)	(3,403,436)	-	-

#### 24.3 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.

#### 24.4 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.



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

### 24. Financial instruments (Cont'd)

#### 24.4 Credit risk (Cont'd)

##### 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 assesses 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 determines 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.

##### *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.



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

### 24. Financial instruments (Cont'd)

#### 24.4 Credit risk (Cont'd)

##### Trade receivables (Cont'd)

###### *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:

	Group		Group	
	2025 RM	%	2024 RM	%
<b>By country:</b>				
Malaysia	17,835,083	35%	37,382,651	42%
United States of America and Canada	22,220,440	44%	40,295,178	46%
Asia (excluding Malaysia)	6,874,926	13%	6,992,081	8%
Others	3,942,334	8%	3,699,983	4%
	50,872,783	100%	88,369,893	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)

### 24. Financial instruments (Cont'd)

#### 24.4 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>2025</b>			
Current (not past due)	36,201,922	-	36,201,922
1 - 30 days past due	12,043,293	-	12,043,293
31 - 60 days past due	2,295,694	-	2,295,694
61 - 90 days past due	282,708	-	282,708
More than 90 days past due	49,166	-	49,166
	50,872,783	-	50,872,783
<b>Credit Impaired</b>			
Individually impaired	-	-	-
	50,872,783	-	50,872,783
<b>2024</b>			
Current (not past due)	61,565,093	-	61,565,093
1 - 30 days past due	13,668,544	-	13,668,544
31 - 60 days past due	9,195,217	-	9,195,217
61 - 90 days past due	3,864,333	-	3,864,333
More than 90 days past due	76,706	-	76,706
	88,369,893	-	88,369,893
<b>Credit Impaired</b>			
Individually impaired	5,814,043	(5,814,043)	-
	94,183,936	(5,814,043)	88,369,893



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

### 24. Financial instruments (Cont'd)

#### 24.4 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 2024</b>	5,846,909
Net remeasurement of loss allowance	353,042
Amounts written off	(385,908)
<b>Balance at 31 December 2024/1 January 2025</b>	5,814,043
Amounts written off	(5,814,043)
<b>Balance at 31 December 2025</b>	-

For financial year ended 31 December 2025, 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 33% 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.



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

### 24. Financial instruments (Cont'd)

#### 24.4 Credit risk (Cont'd)

##### 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.

##### 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 RM16,296,753 (2024: RM12,890,759) represents financial bank guarantee given to a subsidiary 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.



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

### 24. Financial instruments (Cont'd)

#### 24.4 Credit risk (Cont'd)

##### **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.

##### *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.



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

### 24. Financial instruments (Cont'd)

#### 24.5 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)

### 24. Financial instruments (Cont'd)

#### 24.5 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>2025</b>						
<i>Non-derivative financial liabilities</i>						
Loan and borrowings						
- Term loan	11,626,067	4.02 - 4.86	12,317,795	5,174,118	7,143,677	-
- Bill payables	7,181,935	4.27 - 4.32	7,181,935	7,181,935	-	-
- Lease liabilities	3,606,918	3.47 - 6.19	4,383,066	925,008	1,863,550	1,594,508
Trade and other payables						
- Supply chain financing	1,619,000	-	1,619,000	1,619,000	-	-
- Others	44,664,750	-	44,664,750	44,664,750	-	-
	68,698,670		70,166,546	59,564,811	9,007,227	1,594,508
<i>Derivative financial liabilities</i>						
Forward foreign exchange contracts (gross settled):						
Inflow	(203,245)	-	(16,422,595)	(16,422,595)	-	-
Outflow	8,406	-	16,227,756	16,227,756	-	-
	68,503,831		69,971,707	59,369,972	9,007,227	1,594,508



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

### 24. Financial instruments (Cont'd)

#### 24.5 Liquidity risk (Cont'd)

##### Maturity analysis (Cont'd)

Group	Carrying amount RM	Contractual interest rate per annum %	Contractual cash flows	Contractual cash flows		
				Less than 1 year RM	2 - 5 years RM	More than 5 years RM
<b>2024</b>						
<i>Non-derivative financial liabilities</i>						
Loan and borrowings						
- Term loan	7,396,194	4.85 - 4.95	7,867,798	3,081,796	4,786,002	-
- Bill payables	38,686,671	3.60 - 5.19	39,086,122	39,086,122	-	-
- Lease liabilities	3,713,593	3.47 - 6.19	4,608,770	750,000	2,121,318	1,737,452
Trade and other payables						
- Supply chain financing	1,985,521	-	1,985,521	1,985,521	-	-
- Others	63,247,727	-	63,247,727	63,247,727	-	-
	115,029,706		116,795,938	108,151,166	6,907,320	1,737,452
<i>Derivative financial liabilities</i>						
Forward foreign exchange contracts (gross settled):						
Inflow	-	-	(11,145,180)	(11,145,180)	-	-
Outflow	439,574	-	11,584,754	11,584,754	-	-
	115,469,280		117,235,512	108,590,740	6,907,320	1,737,452



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

### 24. Financial instruments (Cont'd)

#### 24.5 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>2025</b>						
<i>Non-derivative financial liabilities</i>						
Other payables	796,501	-	796,501	796,501	-	-
Financial guarantee contracts #	-	-	16,296,753	16,296,753	-	-
	796,501		17,093,254	17,093,254	-	-
<b>2024</b>						
<i>Non-derivative financial liabilities</i>						
Other payables	905,632	-	905,632	905,632	-	-
Financial guarantee contracts #	-	-	12,890,759	12,890,759	-	-
	905,632		13,796,391	13,796,391	-	-

# 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)

### 24. Financial instruments (Cont'd)

#### 24.6 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.

##### 24.6.1 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	2025 RM	2024 RM
Trade receivables	49,631,824	88,027,701
Cash and cash equivalents	7,167,316	2,003,670
Trade and other payables	(7,083,885)	(16,446,025)
	49,715,255	73,585,346



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

### 24. Financial instruments (Cont'd)

#### 24.6 Market risk (Cont'd)

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

###### *Currency risk sensitivity analysis*

A 1% (2024: 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	
	2025 RM	2024 RM
USD	(377,836)	(559,249)

A 1% (2024: 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.

##### 24.6.2 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.



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

### 24. Financial instruments (Cont'd)

#### 24.6 Market risk (Cont'd)

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

###### *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	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Fixed rate instruments</b>				
Financial assets	42,272,060	10,000,000	10,272,060	10,000,000
Financial liabilities	(3,606,918)	(3,713,593)	-	-
	38,665,142	6,286,407	10,272,060	10,000,000
<b>Floating rate instruments</b>				
Financial liabilities	(18,808,002)	(46,082,865)	-	-
	(18,808,002)	(46,082,865)	-	-

###### *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.



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

### 24. Financial instruments (Cont'd)

#### 24.6 Market risk (Cont'd)

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

###### *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>2025</b>		
Financial liabilities	(142,941)	142,941
	(142,941)	142,941
<b>2024</b>		
Financial liabilities	(350,230)	350,230
	(350,230)	350,230

#### 24.7 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.



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

### 24. Financial instruments (Cont'd)

#### 24.7 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	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>2025</b>										
<b>Financial assets</b>										
Other investments										
- unit trusts	-	77,681,779	-	77,681,779	-	-	-	-	77,681,779	77,681,779
Forward foreign exchange contracts	-	203,245	-	203,245	-	-	-	-	203,245	203,245
	-	77,885,024	-	77,885,024	-	-	-	-	77,885,024	77,885,024
<b>Financial liabilities</b>										
Forward foreign exchange contracts	-	(8,406)	-	(8,406)	-	-	-	-	(8,406)	(8,406)
	-	107,472,677	-	107,472,677	-	-	-	-	107,472,677	107,472,677
<b>2024</b>										
<b>Financial assets</b>										
Other investments										
- unit trusts	-	107,472,677	-	107,472,677	-	-	-	-	107,472,677	107,472,677
<b>Financial liabilities</b>										
Forward foreign exchange contracts	-	(439,574)	-	(439,574)	-	-	-	-	(439,574)	(439,574)



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

### 24. Financial instruments (Cont'd)

#### 24.7 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	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2025</b>								
<b>Financial assets</b>								
Other investments								
- unit trusts	-	27,544,552	-	-	-	-	27,544,552	27,544,552
<b>2024</b>								
<b>Financial assets</b>								
Other investments								
- unit trusts	-	25,950,265	-	-	-	-	25,950,265	25,950,265



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

### 24. Financial instruments (Cont'd)

#### 24.7 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.

###### *Derivatives*

The fair value of forward foreign exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

##### 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 2024: no transfer in either directions).

##### Level 3 fair value

###### *Financial instrument not carried at fair value*

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



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

### 25. 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.

No changes were made in the objectives, policies and processes during the financial year ended 31 December 2025 and 31 December 2024.

	Note	Group 2025 RM	2024 RM
Loans and borrowings	13	22,414,920	49,796,458
Total debts		22,414,920	49,796,458
Less: Cash and cash equivalents	11	(64,034,171)	(57,061,272)
Net debt		(41,619,251)	(7,264,814)
Total equity attributable to the owners of the Company		671,303,485	813,817,146
Capital and net debts		675,967,984	871,785,580

### 26. Commitments

#### Capital commitments

The Group has made commitments for the following capital expenditures:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Property, plant and equipment</b>				
Contracted but not provided for	922,159	20,014,150	-	-



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

### 27. 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	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Subsidiaries</b>				
<b><i>Comfort Rubber Gloves Industries Sdn. Bhd.</i></b>				
Management fees	-	-	2,592,663	2,125,788
Rental income	-	-	960,000	960,000
Interest income	-	-	-	3,498,912
<b><i>Gallant Quality Sdn. Bhd.</i></b>				
Management fees	-	-	53,736	147,367
Rental income	-	-	-	600,000
<b>Key management personnel (Note 20.1)</b>				
Directors' fees	321,875	350,000	321,875	350,000
Directors' remuneration	5,848,659	7,415,826	70,500	66,000
Benefit-in-kind	51,950	51,950	-	-
	6,222,484	7,817,776	392,375	416,000



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

### 28. Contingencies

#### (i) Tax litigation

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.

#### (ii) Employment litigation

The Company is defending an action brought by a former employee related to alleged unfair termination. In view of court process is still ongoing and as allowed under paragraph 92 of MFRS 137, Provisions, Contingent Liabilities and Contingent Assets, the Company is not in a position to disclose any further information on grounds that it can be prejudicial to the outcome of the court process.



# 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 102 to 179 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, 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 2025 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:

.....  
**Lau Joo Yong**  
Director

.....  
**Lau Joo Pern**  
Director

Kuala Lumpur

Date: 15 April 2026



# Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Leong Choi Ling, 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 102 to 179 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 Choi Ling, MIA CA 26818, at Taiping in the State of Perak Darul Ridzuan on 15 April 2026.

.....  
**Leong Choi Ling**

Before me:

Commissioner for Oath



# 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 2025 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 2025, and notes to the financial statements, including material accounting policy information, as set out on pages 102 to 179.

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 2025, and of their financial performance and their cash flows for the financial year ended 31 December 2025 in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting 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"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



# Independent Auditors' Report (Cont'd)

to the members of **Comfort Gloves Berhad**  
(Registration No. 193701000006 (852-D))  
(Incorporated in Malaysia)

## 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 2.5 – Impairment of property, plant and equipment and Note 2.8 – Material accounting policy information.

#### The key audit matter

As at 31 December 2025, the carrying amount of the property, plant and equipment of the Group was RM339,402,558, which represented 46% 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 of impairment in the carrying amounts of the Group's property, plant and equipment due to lower utilisation rate of gloves production. The impairment review gave rise to impairment loss of property, plant and equipment of the Group of RM52,485,593 (Refer Notes 2.5 – Impairment of property, plant and equipment).

#### 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.



# Independent Auditors' Report (Cont'd)

## to the members of Comfort Gloves Berhad

(Registration No. 193701000006 (852-D))  
(Incorporated in Malaysia)

### Key Audit Matters (Cont'd)

#### Valuation of inventories

Refer to Note 1 (d)(ii) – Use of estimates and judgements and Note 7 – Inventories.

#### The key audit matter

As at 31 December 2025, the carrying amount of inventories held by the Group was RM55,215,230, of which RM16,272,792 were finished goods and RM28,874,284 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.

#### 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.



# Independent Auditors' Report (Cont'd)

to the members of Comfort Gloves Berhad  
(Registration No. 193701000006 (852-D))  
(Incorporated in Malaysia)

## Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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 MFRS Accounting 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.

## 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.



## Independent Auditors' Report (Cont'd)

to the members of Comfort Gloves Berhad

(Registration No. 193701000006 (852-D))

(Incorporated in Malaysia)

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

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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.



# Independent Auditors' Report (Cont'd)

**to the members of Comfort Gloves Berhad**  
(Registration No. 193701000006 (852-D))  
(Incorporated in Malaysia)

## 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: 15 April 2026

**Ooi Eng Siong**  
Approval Number: 03240/02/2028 J  
Chartered Accountant



# List of Properties Held

As at 31 December 2025

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	15,824,875	30	1993
GM 1723, Lot No. 6858 Jebong District Larut & Matang Perak	Freehold	2.46	-	Three storey factory building and warehouse use	20,003,586	13	1999
				Single storey factory building occupied for offline chlorination processes	4,818,777		
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	15,028,194	25	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	25,359,326	6	2015
				Building occupied for chemical store	43,978	8	2018
GM 1726, Lot No. 6861, Jebong District Larut & Matang, Perak	Freehold	0.55	-	Industrial land	1,197,779	-	2015
PN00271977, Lot No. 312712, Mukim Sungai Terap Kinta, Perak.	Leasehold for 54 years	15.75	2058	Industrial land	12,960,526	-	2018
Geran 80472, Lot No. 1244, Mukim Sungai Limau, Daerah Larut & Matang, Perak.	Freehold	1.582	-	Hostel Building	4,328,516	5	2020



## List of Properties Held (Cont'd)

As at 31 December 2025

Location	Tenure	Area (Hectares)	Year Lease Expiry	Description/ Existing Use	Net Book / Revalued Value (RM)	Age of Building (Years)	Year of Acquisition
Geran 80519, Lot No. 1291, Mukim Sungai Limau, Daerah Larut & Matang, Perak.	Freehold	1.875	-	Former Warehouse and hostel building	3,698,269	5	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	8,714,400	4	2021
<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>142,730,074</b>		



# Statistics on Shareholdings

As at 19 March 2026

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 Shares	
	Malaysian	Foreign	No.	%	Malaysian	Foreign	No.	%
1 to 99	377	23	400	1.914	10,858	798	11,656	0.002
100 to 1,000	5,677	126	5,803	27.768	3,614,535	60,566	3,675,101	0.635
1,001 to 10,000	10,345	101	10,446	49.986	46,348,249	457,051	46,805,300	8.084
10,001 to 100,000	3,709	51	3,760	17.992	110,567,550	1,982,403	112,549,953	19.439
100,001 to 28,949,997 ( * )	465	23	488	2.335	312,957,280	13,700,653	326,657,933	56.418
28,949,998 and above ( ** )	1	0	1	0.005	89,300,000	0	89,300,000	15.423
<b>TOTAL :</b>	<b>20,574</b>	<b>324</b>	<b>20,898</b>	<b>100</b>	<b>562,798,472</b>	<b>16,201,471</b>	<b>578,999,943</b>	<b>100</b>

Remark:

\* Less than 5% of issued shares

\*\* 5% and above of issued shares



## Statistics on Shareholdings (Cont'd)

As at 19 March 2026

### Directors' Shareholdings

No.	Name of Directors	Direct Interest (A)	%	Indirect Interest (B)	%	Total Interest (A+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 Interest (A)	%	Indirect Interest (B)	%	Total Interest (A+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 19 March 2026

### 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	18,781,700	3.244
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	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (KENANGAESG)	8,243,100	1.424
8	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEEN SETUP SDN BHD	8,000,000	1.382
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU ENG GUANG	7,727,000	1.335
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 )	6,253,350	1.080
12	IMPIAN SEMARAK SDN BHD	6,120,000	1.057
13	LOH KOK WAI	5,847,000	1.010
14	LAU JOO PING	5,404,300	0.933
15	LAU JOO HAN	5,275,000	0.911



## Statistics on Shareholdings (Cont'd)

As at 19 March 2026

### List of Top 30 Holders - Ordinary Shares (Cont'd)

NO.	NAME	HOLDINGS	%
16	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LAU JOO KIEN BRIAN	5,100,000	0.881
17	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LAU ENG GUANG	4,180,000	0.722
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CEMPAKA MADU SDN BHD (PB)	4,008,200	0.692
19	LEE YOKE HEAN	3,750,000	0.648
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LEE KIN KHEONG (E-IMO)	3,601,000	0.622
21	YEO YEE TENG	3,500,000	0.604
22	LOW BOK SANG	3,100,000	0.535
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR SEOW HOON HIN	3,078,900	0.532
24	YEO YEE TENG	3,000,000	0.518
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR POH SENG KIAN (TJJ/KEN)	2,940,000	0.508
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LAU JOO KIEN BRIAN (7001639)	2,500,000	0.432
27	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	2,488,300	0.430
28	HLIB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR QUEK MOOI KHENG (CCTS)	2,410,000	0.416
29	TE HOW LIANG	2,346,200	0.405
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR SIAW TECK SIONG	2,277,500	0.393



# Analysis of Warrant B Holdings

As at 19 March 2026

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 Warrants		Total No. of Warrants	
	Malaysian	Foreign	No.	%	Malaysian	Foreign	No.	%
1 to 99	3,780	105	3,885	21.546	190,053	5,518	195,571	0.112
100 to 1,000	8,005	115	8,120	45.034	3,638,598	40,729	3,679,327	2.113
1,001 to 10,000	4,751	63	4,814	26.698	14,334,097	207,332	14,541,429	8.351
10,001 to 100,000	982	20	1,002	5.557	30,780,800	695,388	31,476,188	18.076
100,001 to 8,706,638 ( * )	204	4	208	1.154	93,747,337	700,210	94,447,547	54.239
8,706,638 and above ( ** )	2	0	2	0.011	29,792,700	0	29,792,700	17.109
<b>TOTAL :</b>	<b>17,724</b>	<b>307</b>	<b>18,031</b>	<b>100</b>	<b>172,483,585</b>	<b>1,649,177</b>	<b>174,132,762</b>	<b>100</b>

Remark:

\* Less than 5% of issued warrants

\*\* 5% and above of issued warrants

## Directors' Interest in Warrants B

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 19 March 2026

### List of Top 30 Holders - Warrant B

NO.	NAME	HOLDINGS	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR KEEN SETUP SDN BHD (PB)	15,750,000	9.045
2	SEOW HOON HIN	14,042,700	8.064
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAK KOK LEONG	4,355,500	2.501
4	PANDUAN JITU SDN BHD	4,015,687	2.306
5	MELATI ANGSANA SDN BHD	3,750,000	2.154
6	WARISAN DIPRIMA SDN BHD	3,750,000	2.154
7	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	2,814,200	1.616
8	RINA RAHAYU BINTI MD LATAR	2,737,800	1.572
9	SEOW HOON HIN	2,373,940	1.363
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD LIM KOK PEING	2,205,500	1.267
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOK YOON LIM	2,059,480	1.183
12	IMPIAN SEMARAK SDN BHD	1,836,000	1.054
13	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HUA KUOK (ET)	1,759,050	1.010
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEOW HOON HIN	1,730,000	0.993
15	TEH HOCK AUN	1,621,500	0.931



## Analysis of Warrant B Holdings (Cont'd)

As at 19 March 2026

### List of Top 30 Holders - Warrant B (Cont'd)

NO.	NAME	HOLDINGS	%
16	TAM SWEE CHAN	1,500,000	0.861
17	WOON JAN SENG	1,493,000	0.857
18	WONG PANG NAM	1,472,900	0.846
19	TEE LAY JING	1,053,000	0.605
20	ER KOON HONG	995,300	0.572
21	HAN KOK HOONG	961,500	0.552
22	KOK YOON LIM	925,620	0.532
23	NG YU FONG	860,000	0.494
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR OOI TEE CHEOW	850,000	0.488
25	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LIM BOON TEE (REM 157)	836,600	0.480
26	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	800,000	0.459
27	SOO YOON CHOY	800,000	0.459
28	KOH LEH ANN	765,050	0.439
29	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEGDED SECURITIES ACCOUNT FOR TEE LAY JING	760,000	0.436
30	SARAH POH YEA LI	757,000	0.435



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 85th Annual General Meeting (“AGM”) of Comfort Gloves Berhad (“**CGB**” or “**Company**”) will be conducted physically 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, 25 May 2026  
Time : 9.00 a.m.  
Venue : **Flemington Hotel**  
**(Hall: M1 (Ground Floor))**  
1, Jalan Samanea Saman,  
34000 Taiping,  
Perak

## AGENDA

### As ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors’ and Auditors’ Reports thereon. **(Please refer to Note 1)**
2. To approve the payment of Directors’ Fees of RM321,875 in respect of the financial year ended 31 December 2025. **(Ordinary Resolution 1)**
3. To approve the payment of Directors’ Benefits (excluding Directors’ Fees) to Non-Executive Directors up to an amount of RM102,000 from the 85th AGM until the next AGM of the Company. **(Ordinary Resolution 2)**
4. To re-elect the following Directors who retired by rotation pursuant to Article 18.4(a) of the Company’s Constitution.
  - 4.1 Tan Sri Dato’ Lau Eng Guang **(Ordinary Resolution 3)**
  - 4.2 Datuk Amnah Binti Ibrahim **(Ordinary Resolution 4)**
5. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2026 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.

**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



## Notice of Annual General Meeting (Cont'd)

- 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.

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.



## Notice of Annual General Meeting (Cont'd)

**FURTHER NOTICE IS HEREBY GIVEN THAT** only members whose names appear on the Record of Depositors as at 18 May 2026 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  
**WONG YOUN KIM**  
**SSM PC No.: 201908000410**  
**(MAICSA 7018778)**  
Company Secretary

Date: 21 April 2026

### 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.



## Notice of Annual General Meeting (Cont'd)

Based on the Remuneration Committee's recommendation, the Board decided that the Directors' fees and Directors' Benefits shall remain unchanged as follows:

Description	Non-Executive Directors / Members (FYE 2024 per annum per director)	Non-Executive Directors / Members (FYE 2025 per annum per director)
Directors' Fee -Board of Directors	RM75,000	RM65,625
<b><u>Directors' Fee - Board Committees</u></b>		
Chairman of Audit and Risk Management Committee	RM25,000	RM25,000
Members of Audit and Risk Management 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	RM500 per trip (2 ways)	

### 3) Ordinary Resolutions 3 and 4 – Re-election of Directors

Tan Sri Dato' Lau Eng Guang and Datuk Amnah Binti Ibrahim who retire in accordance with Article 18.4(a) of the constitution are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election.

The Board has via the Nomination Committee 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 that they be re-elected to the Board.

### 4) Ordinary Resolution 5 - Appointment of Auditors

The Audit and Risk Management Committee ("ARMC") had 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 ARMC in its assessment also found Messrs KPMG PLT to be sufficiently objective and independent.

The Board therefore approved the ARMC 's recommendation on the re-appointment of Messrs KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2026 to be put forward for the shareholders' approval at the 85th AGM.



## Notice of Annual General Meeting (Cont'd)

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 26 May 2025, the Directors of the Company were 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 are set out in the Share Buy-Back Statement of the Company, which is sent out together with the Annual Report 2025.



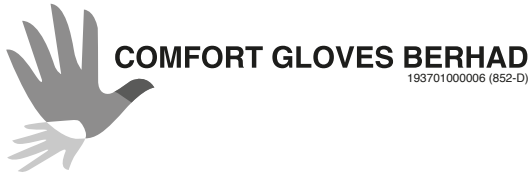
## Notice of Annual General Meeting (Cont'd)

### Notes :

- 1) Pursuant to Paragraph 8.29A of the Listing Requirements, voting at the general meeting will be conducted by poll rather than a 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.

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.

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# 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 85<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 25 May 2026 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 Tan Sri Dato' Lau Eng Guang as Director	3		
The re-election of Datuk Amnah Binti Ibrahim as Director	4		
The re-appointment of Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.	5		
Special Business			
Authority to Allot and Issue Shares	6		
Proposed Renewal of Share Buy Back Authority	7		

Please indicate with (v) 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 18 May 2026 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 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.
- 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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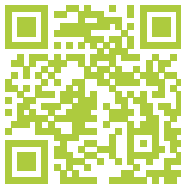
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Stamp

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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<https://comfortrubber.com>

**COMFORT GLOVES BERHAD**

193701000006 (852-D)

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