

**Condensed Unaudited Consolidated Statement of Financial Position
As At 31 March 2025**

	As at 31.03.2025 RM'000 (Unaudited)	As at 31.12.2024 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	410,712	415,793
Goodwill on consolidation	22	22
Right-of-use assets	16,318	16,580
Deferred tax assets	20,972	20,862
Investment properties	26,422	26,422
Total non-current assets	<u>474,446</u>	<u>479,679</u>
Current assets		
Inventories	104,299	108,695
Trade and other receivables	96,663	90,362
Prepayments	2,273	2,440
Tax Recoverable	90,630	90,311
Other investment	75,709	107,473
Cash and cash equivalents	94,617	57,061
Total current assets	<u>464,191</u>	<u>456,342</u>
TOTAL ASSETS	<u><u>938,637</u></u>	<u><u>936,021</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	142,985	142,985
Treasury shares	(5,512)	(5,512)
Reserves	665,727	676,344
TOTAL EQUITY	<u>803,200</u>	<u>813,817</u>
Non-current liabilities		
Loans and borrowings	13,804	7,706
Provision for restoration	2,720	2,720
Deferred tax liabilities	1,335	1,349
Total non-current liabilities	<u>17,859</u>	<u>11,775</u>
Current liabilities		
Loans and borrowings	68,728	42,090
Trade and other payables	46,319	65,233
Contract liabilities	2,499	2,666
Derivative financial liabilities	32	440
Total current liabilities	<u>117,578</u>	<u>110,429</u>
TOTAL LIABILITIES	<u>135,437</u>	<u>122,204</u>
TOTAL EQUITY AND LIABILITIES	<u><u>938,637</u></u>	<u><u>936,021</u></u>
Net assets per share attributable to owners of the company (sen)	139	141

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024.

Condensed Unaudited Consolidated Statement of Comprehensive Income For the First Quarter Ended 31 March 2025

	Current Quarter Ended <u>31.03.2025</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>31.03.2024</u> RM'000 (Unaudited)	Current YTD Ended <u>31.03.2025</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>31.03.2024</u> RM'000 (Unaudited)
Revenue	106,614	67,205	106,614	67,205
Cost of sales	(109,621)	(77,275)	(109,621)	(77,275)
Gross loss	(3,007)	(10,070)	(3,007)	(10,070)
Other income	920	5,948	920	5,948
Selling and marketing expenses	(1,260)	(1,330)	(1,260)	(1,330)
Administrative expenses	(6,584)	(7,762)	(6,584)	(7,762)
Operating loss	(9,931)	(13,214)	(9,931)	(13,214)
Finance costs	(769)	(126)	(769)	(126)
Loss before tax	(10,700)	(13,340)	(10,700)	(13,340)
Income tax expense	83	2,713	83	2,713
Loss for the period	(10,617)	(10,627)	(10,617)	(10,627)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(10,617)	(10,627)	(10,617)	(10,627)
Loss attributable to:				
Owners of the Company	(10,617)	(10,627)	(10,617)	(10,627)
Total comprehensive loss attributable to:				
Owners of the Company	(10,617)	(10,627)	(10,617)	(10,627)
Loss per ordinary share attributable to owners of the Company (sen) (Note 27)				
- Basic	(1.83)	(1.83)	(1.83)	(1.83)
- Diluted	(1.83)	(1.83)	(1.83)	(1.83)

The Condensed Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2024.

Condensed Unaudited Consolidated Statement of Changes in Equity For the First Quarter Ended 31 March 2025

	← Attributable to Owners of the Company →					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
At 1 January 2025	142,985	(5,512)	11,319	30,278	634,747	813,817
Total comprehensive loss for the financial period						
Loss for the financial period	-	-	-	-	(10,617)	(10,617)
Realisation of revaluation reserve	-	-	-	(396)	396	-
Total comprehensive expense	-	-	-	(396)	(10,221)	(10,617)
At 31 March 2025	142,985	(5,512)	11,319	29,882	624,526	803,200
	Note 25	Note 26				

The Condensed Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024.

Condensed Unaudited Consolidated Statement of Cash Flows For The Period Ended 31 March 2025

	Current YTD Ended <u>31.03.2025</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>31.03.2024</u> RM'000 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(10,700)	(13,340)
Adjustments for:		
Net fair value gain on derivatives	(407)	(15)
Property, plant and equipment		
- (Gain)/loss on disposal	-	8
- Depreciation	9,804	10,741
Depreciation of right-of-use asset	261	394
Inventory provision on slow moving	934	2,240
Provision / (Reversal) of inventory written down	(745)	537
Fair value gain on investment	(996)	(138)
Interest expense	769	126
Interest income	(748)	(1,784)
Unrealised gain on foreign exchange	1,513	(3,362)
Operating loss before changes in working capital	<u>(315)</u>	<u>(4,593)</u>
Changes in working capital:		
Inventories	4,207	25,063
Receivables	(8,245)	47,837
Payables	(18,836)	(23,572)
Net cash (used in)/generated from operations	<u>(23,189)</u>	<u>44,735</u>
Income tax paid	(409)	(271)
Interest received	748	1,784
Net cash flow (used in)/generated from operating activities	<u>(22,850)</u>	<u>46,248</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,725)	(2,223)
Interest income from other investments	160	372
Withdrawal from other investments	32,600	1,181
Net cash flows generated from/(used in) investing activities	<u>28,035</u>	<u>(670)</u>
Cash flows from financing activities		
Repurchase of treasury shares	-	-
Net changes in bill payables	27,178	(3,644)
Net changes in term loan financing	6,098	(699)
Net changes in lease liabilities	(1)	(364)
Interest paid	(769)	(126)
Net cash flows generated from/(used in) financing activities	<u>32,506</u>	<u>(4,833)</u>
Net changes in cash and cash equivalents	37,691	40,745
Cash and cash equivalents at beginning of the financial year	57,061	141,182
	<u>94,752</u>	<u>181,927</u>
Effect of exchange rate changes on cash and cash equivalents	(135)	2,367
Cash and cash equivalents at end of the financial period	<u>94,617</u>	<u>184,294</u>

The Condensed Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2024.

Notes to the unaudited interim financial report**1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024. These interim financial statements contain selected explanatory notes which provide explanations of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group.

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 31 December 2024 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2025 which are applicable to Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

2. Audit qualifications

The auditors’ reports on the financial statements of the Group for the financial year ended 31 December 2024 is not subject to any qualification.

3. Seasonal or cyclical factors

The Group’s operations were not affected by any seasonal or cyclical factors.

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period to date because of their nature, size or incidence.

5. Changes in estimates

There were no significant changes in financial estimates reported in prior financial year that would have material impact in the current financial period report.

6. Debts and equity securities

There were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in the current quarter and financial period ended 31 March 2025.

7. Contingent assets and contingent liabilities

There were no contingent assets and liabilities since the last financial year, except as disclosed in Audited Financial Statement 2024.

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 of 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) Labour Union litigation

The Group is defending an action brought by third party related to the disagreement on renewal of union contract. 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.

8. Property, plant and equipment

Property, plant and equipment are stated at valuation or cost less accumulated depreciation and impairment losses.

9. Material events

There were no material events that may materially impact the financial results for the current quarter and financial year to date.

10. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial year to date.

11. Operating segments

The Group's operating segments for the 3 months period ended 31 March 2025:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from				
external customers	106,614	-	-	106,614
Inter segment revenue	1,259	167	(1,426)	-
Total revenue	<u>107,873</u>	<u>167</u>	<u>(1,426)</u>	<u>106,614</u>
Results				
Segment (loss)	(374)	(241)	-	(615)
Interest income				748
Interest expense				(769)
Property, plant and equipment				
- depreciation				(9,804)
- gain on disposal				-
Depreciation of right-of-use asset				<u>(261)</u>
Loss before tax				(10,701)
Taxation				<u>84</u>
Net loss for the period				<u><u>(10,617)</u></u>

The Group's operating segments for the 3 months period ended 31 March 2024:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from				
external customers	67,205	-	-	67,205
Inter segment revenue	398	653	(1,051)	-
Total revenue	<u>67,603</u>	<u>653</u>	<u>(1,051)</u>	<u>67,205</u>
Results				
Segment (loss)/profit	(4,704)	849	-	(3,855)
Interest income				1,784
Interest expense				(126)
Property, plant and equipment				
- depreciation				(10,741)
- loss on disposal				(8)
Depreciation of right-of-use asset				<u>(394)</u>
Loss before tax				(13,340)
Taxation				<u>2,713</u>
Net loss for the period				<u><u>(10,627)</u></u>

12. Review of performance

	1st Quarter Ended		Year to Date Ended	
	31.03.2025 (1QYE31MAR25)	31.03.2024 (1QYE31MAR24)	31.03.2025 (3MFYE31MAR25)	31.03.2024 (3MFYE31MAR24)
	RM'000	RM'000	RM'000	RM'000
Revenue	106,614	67,205	106,614	67,205
Gross loss	(3,007)	(10,070)	(3,007)	(10,070)
Operating loss	(9,931)	(13,214)	(9,931)	(13,214)
Loss before tax	(10,700)	(13,340)	(10,700)	(13,340)
Loss after tax	(10,617)	(10,627)	(10,617)	(10,627)
Loss attributable to Owners of the Company	(10,617)	(10,627)	(10,617)	(10,627)
Net loss margin	-10.0%	-15.8%	-10.0%	-15.8%

The Group reported revenue of RM106.6 million for the first quarter ended 31 March 2025, marking a 59% increase from RM67.2 million in the same quarter of 2024. This notable growth was primarily driven by additional sales orders from export customers and improved market conditions.

The Group recorded a significant reduction in gross loss, narrowing from RM10.1 million to RM3 million, primarily driven by strong recovery in glove demand compared to the corresponding preceding quarter in 2024. This improvement was further reinforced by Group's continued focus on cost control and operational efficiency which positively contributed to overall profitability and also refinement of inventory costing. Furthermore, inventory provision and written down has been reduced by RM2.5million as compared to corresponding preceding quarter in 2024.

The Group registered a loss after tax of RM10.6 million for the current quarter, unchanged from RM10.6 million loss in the corresponding quarter of the previous year (1QYE31MAR2024). This was mainly attributed to significant reduction in foreign exchange gain by RM5 mil, lower inventory provision and written down of RM2.5 million as well as a lower recognition of deferred tax credit amounting to RM2.8 mil for the financial period ended 31 March 2025.

13. Variation of quarterly results against preceding quarter

	Quarter Ended		
	31.03.2025 (1QYE3MAR25) RM'000	31.12.2024 (4QYE31DEC24) RM'000	Changes %
Revenue	106,614	97,497	9%
Gross loss	(3,007)	(14,815)	80%
Operating loss	(9,931)	(13,544)	27%
Loss before tax	(10,700)	(14,511)	26%
Loss after tax	(10,617)	(12,315)	14%
Loss attributable to owners of the Company	(10,617)	(12,315)	14%
Net loss margin	-10.0%	-12.6%	

For the current quarter under review (1QYE31MAR25), the Group recorded revenue of RM106.6 million, representing a 9% increase compared to the previous quarter (4QYE31DEC24). This increase was primarily due to higher sales volumes registered in export markets.

The Group reported a gross loss of RM3.0 million in 1QYE31MAR25, a substantial improvement compared to the RM14.8 million loss recorded in 4QYE31DEC24. This improvement was primarily attributable to the incremental recovery gloves demand, refinement of inventory costing, effective cost control measures and improved operational efficiency, all of which positively contributed to overall profitability

Additionally, in 1QYE31MAR25, the Group has recorded a reduction in foreign exchange gain of RM6.9 mil compared to preceding quarter, alongside a lower deferred tax credit recognition amounting to RM8.6 million.

14. Current year prospects

Malaysian glove manufacturers are well-positioned to maintain their resilience despite ongoing global trade uncertainties, bolstered by favorable U.S. import tariffs that provide a competitive edge over other major Asian exporters. While the sector is currently managing short-term pressures—including anticipated sequential sales declines due to intensified global competition and potential market share adjustments in the EU—the industry's fundamentals remain strong.

Encouragingly, the sector is expected to sustain profitability, supported by strategic workforce optimization and declining raw material costs. These factors are projected to enhance financial performance in the coming quarter, particularly as the industry progresses past the inventory destocking phase.

Looking ahead, the Group maintains a cautiously optimistic outlook, anticipating a gradual recovery in global demand and stabilization in key markets, barring any unforeseen macroeconomic disruptions. In line with this positive momentum, the Group has proactively allocated strategic capital expenditures to drive operational efficiencies and boost productivity.

Guided by a commitment to financial discipline, agile market responsiveness, and targeted value-creation initiatives, the Group remains focused on delivering sustainable, long-term growth for its shareholders.

15. Profit forecast or profit guarantee

The Group did not publish any profit forecast or issue any profit guarantee during the reporting year.

16. Loss before taxation

This was arrived at after crediting/(charging):

	3 months ended 31.03.2025 RM'000	3 months ended 31.03.2024 RM'000	YTD ended 31.03.2025 RM'000	YTD ended 31.03.2024 RM'000
Interest income	748	1,784	748	1,784
Interest expense	(769)	(126)	(769)	(126)
Depreciation on property, plant and equipment	(9,804)	(10,741)	(9,804)	(10,741)
Depreciation of right-of-use asset	(261)	(394)	(261)	(394)
(Loss) / Gain on Foreign Exchange:				
- realised	342	494	342	494
- unrealised	(1,513)	3,362	(1,513)	3,362
Fair value gain on derivatives	407	15	407	15
Fair value gain on investment	996	138	996	138
Loss on disposal of plant and equipment	-	(8)	-	(8)
Inventory provision on slow moving	(934)	(2,240)	(934)	(2,240)
(Provision) / reversal of inventories written down	745	(537)	745	(537)

17. Capital Commitments

As at 31 March 2025, the Group has the below capital commitments:

	YTD Ended 31.03.2025 RM'000	YTD Ended 31.3.2024 RM'000
Property, plant and equipment		
- approved and contracted for	18,697	4,300
- approved but not contracted for	-	-
	<u>18,697</u>	<u>4,300</u>

The capital commitments were mainly related to ancillary facilities for the enhancement of operation.

18. Taxation

	1st Quarter Ended		YTD Ended	
	31.3.2025 RM'000	31.3.2024 RM'000	31.03.2025 RM'000	31.3.2024 RM'000
Deferred taxation - current year	-	(2,713)	-	(2,713)
- over provision in prior year	-	-	-	-
Taxation - current year	(83)	-	(83)	-
- over /(under) provision in prior year	-	-	-	-
	<u>(83)</u>	<u>(2,713)</u>	<u>(83)</u>	<u>(2,713)</u>

19. Derivative financial Liabilities

	Quarter Ended 31.03.2025		Year Ended 31.03.2025	
	Contract Amount RM'000	Assets/(Liabilities) RM'000	Contract Amount RM'000	Assets/(Liabilities) RM'000
Non-hedging derivative:				
Forward exchange contracts	<u>21,282</u>	<u>(32)</u>	<u>21,282</u>	<u>(32)</u>

The Group use forward exchange contracts to manage some of the foreign currency exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for year consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's sales denominated in USD. The forward exchange contracts have maturities of not more than 12 months.

20. Quoted investment

There were no purchases or sales of quoted securities for the current financial period.

21. Status of corporate proposal announced

There was no other corporate proposal announced and not completed as of 31 March 2025.

22. Borrowings

The Group have the following borrowings as at 31 March 2025:

	YTD Ended 31.03.2025 RM'000	YTD Ended 31.12.2024 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	10,698	4,600
- Lease liability	3,106	3,106
	<u>13,804</u>	<u>7,706</u>
Current:		
Secured		
- Bill payables (USD denominated)	43,306	15,485
- Bill payables (RM denominated)	22,019	23,201
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	607	608
	<u>68,728</u>	<u>42,090</u>
	<u>82,532</u>	<u>49,796</u>

23. Material litigation

The Group was not aware of any material litigation that may have significant impact to the Group's profit since the last audited annual financial statements date to the date of issue of the quarterly report except for the legal proceedings in relation to the Notices of Tax Assessment raised on Comfort Rubber Gloves Industries Sdn Bhd ("CRGI") and Gallant Quality Sdn Bhd ("GQ"), wholly owned subsidiaries of Comfort Gloves Berhad ("CGB"), by the Director General Of Inland Revenue ("DGRI") as announced.

24. Dividends

The Directors did not recommend any payment of dividend for the current financial year to-date.

25. Share Capital

The Group's share capital as at 31 March 2025 is as follow:

	YTD Ended 31.03.2025	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2025 / 31 Mar 2025	582,949	142,985

26. Treasury Shares

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company.

For the period under review, the Company do not repurchased any shares from the open market.

At 31 March 2025, the number of the Company's treasury shares held is 3,949,200 shares, at a carrying amount of RM5,511,616.

There was no cancellation or distribution of treasury shares during the financial period.

27. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share are based on the profit for the financial period or year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period or year, calculated as follows:

	3 months ended	YTD ended
	31.03.2025	31.3.2025
(Loss) attributable to owners of the Company (RM'000)	(10,617)	(10,617)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,000	579,000
Effect of treasury shares held	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)(basic)	579,000	579,000
Basic (loss) per ordinary share (sen)	(1.83)	(1.83)

27. Earnings Per Share (Cont'd)

(b) Diluted earnings per 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 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 period.