

**Condensed Unaudited Consolidated Statement of Financial Position**  
**As At 30 June 2024**

	<b>As at</b> <b>30.06.2024</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>As at</b> <b>31.12.2023</b> <b>RM'000</b> <b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	408,855	418,044
Goodwill on consolidation	22	22
Right-of-use assets	14,778	15,294
Other investments	10,000	10,000
Deferred tax assets	13,450	6,898
Investment properties	26,421	26,422
<b>Total non-current assets</b>	<u>473,526</u>	<u>476,680</u>
<b>Current assets</b>		
Inventories	101,265	85,294
Trade and other receivables	62,300	57,510
Prepayments	1,923	2,676
Tax Recoverable	95,969	95,180
Other investment	107,073	105,547
Cash and cash equivalents	123,075	141,182
<b>Total current assets</b>	<u>491,605</u>	<u>487,389</u>
<b>TOTAL ASSETS</b>	<u><u>965,131</u></u>	<u><u>964,069</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	142,985	142,985
Treasury shares	(5,512)	(5,512)
Reserves	714,893	732,231
<b>TOTAL EQUITY</b>	<u>852,366</u>	<u>869,704</u>
<b>Non-current liabilities</b>		
Loans and borrowings	7,265	9,028
Provision for restoration	2,587	2,588
Deferred tax liabilities	2,650	2,291
<b>Total non-current liabilities</b>	<u>12,502</u>	<u>13,907</u>
<b>Current liabilities</b>		
Loans and borrowings	38,620	33,337
Trade and other payables	58,148	44,411
Contract liabilities	3,380	2,710
Derivative financial liabilities	115	-
<b>Total current liabilities</b>	<u>100,263</u>	<u>80,458</u>
<b>TOTAL LIABILITIES</b>	<u>112,765</u>	<u>94,365</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>965,131</u></u>	<u><u>964,069</u></u>
<b>Net assets per share attributable to owners of the company (sen)</b>	147	150

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 2023.

## Condensed Unaudited Consolidated Statement of Comprehensive Income For the Second Quarter Ended 30 June 2024

	Current Quarter Ended <u>30.06.2024</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>30.06.2023</u> RM'000 (Unaudited)	Current YTD Ended <u>30.06.2024</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.06.2023</u> RM'000 (unaudited)
Revenue	76,569	90,228	143,774	179,790
Cost of sales	(76,821)	(98,855)	(151,318)	(216,383)
<b>Gross loss</b>	<b>(252)</b>	<b>(8,627)</b>	<b>(7,544)</b>	<b>(36,593)</b>
Other income	2,334	9,655	8,282	12,450
Selling and marketing expenses	(563)	(1,054)	(1,893)	(2,465)
Administrative expenses	(11,024)	(1,579)	(21,564)	(7,277)
<b>Operating loss</b>	<b>(9,505)</b>	<b>(1,605)</b>	<b>(22,719)</b>	<b>(33,885)</b>
Finance costs	(483)	(609)	(609)	(1,079)
<b>Loss before tax</b>	<b>(9,988)</b>	<b>(2,214)</b>	<b>(23,328)</b>	<b>(34,964)</b>
Income tax expense	3,360	(1,964)	6,073	1,642
<b>Loss for the period</b>	<b>(6,628)</b>	<b>(4,178)</b>	<b>(17,255)</b>	<b>(33,322)</b>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(6,628)</b>	<b>(4,178)</b>	<b>(17,255)</b>	<b>(33,322)</b>
<b>Loss attributable to:</b>				
<b>Owners of the Company</b>	<b>(6,628)</b>	<b>(4,178)</b>	<b>(17,255)</b>	<b>(33,322)</b>
<b>Total comprehensive loss attributable to:</b>				
<b>Owners of the Company</b>	<b>(6,628)</b>	<b>(4,178)</b>	<b>(17,255)</b>	<b>(33,322)</b>
<b>Loss per ordinary share attributable to owners of the Company (sen) (Note 27)</b>				
- Basic	(1.14)	(0.72)	(2.98)	(5.78)
- Diluted	(1.14)	(0.72)	(2.98)	(5.78)

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 2023.

## Condensed Unaudited Consolidated Statement of Changes in Equity For the Second Quarter Ended 30 June 2024

	← 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 2024	142,985	(5,512)	11,319	31,862	689,050	869,704
<b>Total comprehensive loss for the financial period</b>						
Loss for the financial period	-	-	-	-	(17,255)	(17,255)
Realisation of revaluation reserve	-	-	-	(874)	791	(83)
Total comprehensive expense	-	-	-	(874)	(16,465)	(17,338)
At 30 June 2024	142,985	(5,512)	11,319	30,988	672,585	852,366
	<b>Note 25</b>	<b>Note 26</b>				

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 2023.

**Condensed Unaudited Consolidated Statement of Cash Flows  
For The Period Ended 30 June 2024**

	<b>Current YTD Ended <u>31.06.2024</u> RM'000 (Unaudited)</b>	<b>Corresponding YTD Ended <u>31.06.2023</u> RM'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(23,328)	(34,964)
Adjustments for:		
Net fair value loss on derivatives	115	22
Property, plant and equipment		
- loss / (Gain) on disposal	1	(6)
- depreciation	20,672	22,719
- written off	848	-
Depreciation of right-of-use asset	515	201
Written back of doubtful debts	(33)	(60)
Inventory provision on slow moving	4,690	2,546
Provision / (Reversal) of inventory written down	1,926	(10,326)
Fair value (gain) on investment	(306)	-
Interest expense	609	1,079
Interest income	(3,982)	(2,979)
Unrealised gain on foreign exchange	(3,071)	(10,562)
<b>Operating loss before changes in working capital</b>	<u>(1,344)</u>	<u>(32,330)</u>
Changes in working capital:		
Inventories	(22,587)	39,167
Receivables	(2,727)	6,529
Payables	14,308	(12,763)
<b>Net cash (used in) / generated from operations</b>	<u><b>(12,350)</b></u>	<u><b>603</b></u>
Income tax paid	(911)	(6,359)
Income tax refund	1	-
Interest received	3,982	2,979
<b>Net cash flow (used in)operating activities</b>	<u><b>(9,278)</b></u>	<u><b>(2,777)</b></u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,418)	(5,605)
Interest income from other investments	1,220	-
Addition to other investments	(2,440)	(1,777)
Proceeds from disposal of property, plant and equipment	7	6
<b>Net cash flows used in investing activities</b>	<u><b>(13,631)</b></u>	<u><b>(7,376)</b></u>
<b>Cash flows from financing activities</b>		
Repurchase of treasury shares	-	(144)
Net changes in bill payables	4,878	20,058
Net changes in term loan financing	(1,398)	(1,398)
Net changes in lease liabilities	(364)	-
Interest paid	(609)	(1,079)
<b>Net cash flows generated from financing activities</b>	<u><b>2,507</b></u>	<u><b>17,437</b></u>
<b>Net changes in cash and cash equivalents</b>	(20,402)	7,284
<b>Cash and cash equivalents at beginning of the financial year</b>	<u>141,182</u>	<u>134,563</u>
	<b>120,780</b>	<b>141,847</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u><b>2,295</b></u>	<u><b>5,545</b></u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><b>123,075</b></u>	<u><b>147,392</b></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 2023.

## 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 2023. 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 2023 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2024 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 2023 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 30 June 2024.

**7. Contingent assets and contingent liabilities**

There were no contingent assets and liabilities since the last financial year.

**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 period to date.

**10. Changes in composition of the Group**

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

## 11. Operating segments

The Group's operating segments for the 6 months year ended 30 June 2024:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
<b>Revenue</b>				
Revenue from				
external customers	143,774	-	-	143,774
Inter segment revenue	2,224	1,231	(3,455)	-
Total revenue	<u>145,998</u>	<u>1,231</u>	<u>(3,455)</u>	<u>143,774</u>
<b>Results</b>				
Segment (loss)/profit	(7,048)	2,383	-	(4,665)
Interest income				3,982
Interest expense				(609)
Property, plant and equipment				
- depreciation				(20,672)
- (loss) on disposal				(1)
- written off				(848)
Depreciation of right-of-use asset				<u>(515)</u>
Loss before tax				(23,328)
Taxation				<u>6,073</u>
Net loss for the period				<u><u>(17,255)</u></u>

The Group's operating segments for the 6 months year ended 30 June 2023:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
<b>Revenue</b>				
Revenue from				
external customers	179,790	-	-	179,790
Inter segment revenue	86,823	1,418	(88,241)	-
Total revenue	<u>266,613</u>	<u>1,418</u>	<u>(88,241)</u>	<u>179,790</u>
<b>Results</b>				
Segment (loss)/profit	(16,138)	2,188	-	(13,950)
Interest income				2,979
Interest expense				(1,079)
Property, plant and equipment				
- depreciation				(22,719)
- gain on disposal				6
- written off				-
Depreciation of right-of-use asset				<u>(201)</u>
Loss before tax				(34,964)
Taxation				<u>1,642</u>
Net loss for the period				<u><u>(33,322)</u></u>

**12. Review of performance**

	2nd Quarter Ended		Year to Date Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	(2QYE30JUN24)	(2QYE30JUN23)	(6MFYE30JUN24)	(6MYE30JUN23)
	RM'000	RM'000	RM'000	RM'000
Revenue	76,569	90,228	143,774	179,790
Gross loss	(252)	(8,627)	(7,544)	(36,593)
Operating loss	(9,505)	(1,605)	(22,719)	(33,885)
Loss before tax	(9,988)	(2,214)	(23,328)	(34,964)
Loss after tax	(6,628)	(4,178)	(17,255)	(33,322)
Loss attributable to Owners of the Company	(6,628)	(4,178)	(17,255)	(33,322)
Net profit loss margin	-8.7%	-4.6%	-12.0%	-18.5%

The Group's revenue for the second quarter ended 30 June 2024 was RM76.6 million, reflecting a 15% decrease compared to RM90.2 million in the corresponding quarter of 2023. This decrease in revenue reflects challenges in securing sales orders due to factors such as reduced demand, market conditions and competitive pressures.

The reduction in gross loss from RM8.6 million to RM0.3 million demonstrates effective cost management and improved pricing strategies. The Group's focus on cost control and operational efficiency has positively impacted its profitability, even though revenue has decreased.

The loss after tax for the quarter ended 30 June 2024 was RM6.6 million. This figure includes provisions for slow-moving inventory and write-downs to net realizable value inventory amounting to RM3.8 million and a deferred tax credit of RM3.5 million.

The loss after tax for the corresponding quarter ended 30 June 2023 was RM4.2 million which includes reversal for slow-moving inventory and write-downs to net realizable value of inventory amounting to RM5.5 million.



**13. Variation of quarterly results against preceding quarter**

	Quarter Ended		
	30.06.2024 (2QYE30JUN24)	31.03.2024 (1QYE31Mar24)	Changes
	RM'000	RM'000	%
Revenue	76,569	67,205	14%
Gross loss	(252)	(7,292)	97%
Operating loss	(9,505)	(13,214)	28%
Loss before tax	(9,988)	(13,340)	25%
Loss after tax	(6,628)	(10,627)	38%
Loss attributable to owners of the Company	(6,628)	(10,627)	38%
Net loss	-8.7%	-15.8%	

For the current quarter under review (2QYE30JUN24), revenue was RM76.6 million representing an increase of 14%. The 14% increase in revenue from the previous quarter indicates a strong improvement in sales performance. This is attributed to increased sales quantities from both domestic and international markets, suggesting better market conditions or successful sales strategies.

The significant reduction in gross loss from RM7.3 million to RM0.3 million highlights the effectiveness of the shift towards higher-margin products and cost management.

The transition from a loss of RM10.6 million in 1QYE31MAR24 to a loss of RM6.6 million in 2QYE30JUN24 is notable. The difference was mainly due to the Group made an improvement in margin, from gross loss of RM7.3 million to RM0.3 million in 2QYE30JUN24. The Group also made a credit of deferred tax of RM3.5 million under 2QYE30JUN24 while only a deferred tax credit of RM2.7 million in 1QYE31MAR24.

**14. Current year prospects**

In the midst of a volatile and challenging global business environment, the Group is taking proactive steps to navigate these uncertainties. We are also focusing to develop and manufacture new types of gloves to meet the specific needs of our customers. This strategic move is aimed at enhancing our market position and addressing emerging demands.

We are optimistic of the recovery of gloves industry. This optimism is underpinned by the anticipated recovery in our revenue drivers within the glove industry. Our commitment to advancing automation in our manufacturing processes is expected to strengthen our competitiveness and operational efficiency. We aim to boost recurring revenue from both our existing customer base and new market opportunities.

**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 30.06.2024 RM'000	3 months ended 30.06.2023 RM'000	YTD ended 30.06.2024 RM'000	YTD ended 30.06.2023 RM'000
Interest income	2,198	1,682	3,982	2,979
Interest expense	(483)	(609)	(609)	(1,079)
Depreciation on property, plant and equipment	(9,931)	(11,221)	(20,672)	(22,719)
Depreciation of right-of-use asset	(121)	(101)	(515)	(201)
(Loss) / Gain on Foreign Exchange:				
- realised	234	1,318	728	(1,680)
- unrealised	(291)	6,791	3,071	10,562
Fair value (loss) on derivatives	(130)	(22)	(115)	(22)
Gain/(loss) on disposal of plant and equipment	7	6	(1)	6
Inventory provision on slow moving	(2,450)	(1,202)	(4,690)	(2,546)
(Provision) / reversal of Inventories written down	(1,389)	6,654	(1,926)	10,326

**17. Capital Commitments**

As at 30 June 2024, the Group has the below capital commitments:

	YTD Ended 30.06.2024 RM'000	YTD Ended 30.06.2023 RM'000
Property, plant and equipment		
- approved and contracted for	19,226	3,874
- approved but not contracted for	-	-
	<u>19,226</u>	<u>3,874</u>

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

**18. Taxation**

	1st Quarter Ended		YTD Ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Deferred taxation - current year	3,481	(1,847)	6,194	2,204
- over provision in prior year	-	-	-	-
Taxation - current year	(121)	(400)	(121)	(845)
- over /(under) provision in prior year	-	283	-	283
	<u>3,360</u>	<u>(1,964)</u>	<u>6,073</u>	<u>1,642</u>

**19. Derivative financial Liabilities**

	Quarter Ended 30.06.2024		Year Ended 31.12.2023	
	Contract Amount RM'000	Assets/(Liabilities) RM'000	Contract Amount RM'000	Assets/(Liabilities) RM'000
<b>Non-hedging derivative:</b>				
Forward exchange contracts	4,956	(115)	-	-

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 6 months.

**20. Quoted investment**

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

**21. Status of corporate proposal announced**

There was no other corporate proposal announced and not completed as of 30 June 2024.

## 22. Borrowings

The Group have the following borrowings as at 30 June 2024:

	<b>YTD Ended 30.06.2024 RM'000</b>	<b>YTD Ended 31.12.2023 RM'000</b>
<b>Non current:</b>		
<b>Secured</b>		
- Term Loan (RM denominated)	5,998	7,396
- Lease liability	1,267	1,632
	<u>7,265</u>	<u>9,028</u>
<b>Current:</b>		
<b>Secured</b>		
- Bill payables (USD denominated)	19,552	18,547
- Bill payables (RM denominated)	16,227	11,950
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	45	44
	<u>38,620</u>	<u>33,337</u>
	<u>45,885</u>	<u>42,365</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 period to-date.

**25. Share Capital**

The Group's share capital as at 30 June 2024 is as follow:

	<b>YTD Ended 30.06.2024</b>	
	<b>No. of shares Unit' 000</b>	<b>RM'000</b>
Issued and fully paid: - At 1 Jan 2024 / 30 Jun 2024	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 30 June 2024, 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
	30.06.2024	30.06.2024
Loss attributable to owners of the Company (RM'000)	(6,628)	(17,255)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,592	579,942
Effect of treasury shares held	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)(basic)	579,592	579,592
Basic loss per ordinary share (sen)	(1.14)	(2.98)

**27. Earnings Per Share (Cont'd)****(b) Diluted earnings per share**

Diluted 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 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.

Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share. Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share.

Diluted earnings per share calculated as follows:

	<b>3 months ended</b>	<b>YTD ended</b>
	<b>30.06.2024</b>	<b>30.06.2024</b>
Loss attributable to owners of the Company (RM'000)	(6,628)	(17,255)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,592	579,592
Effect of dilution from: - Share options ('000)	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>579,592</u>	<u>579,592</u>
Diluted loss per ordinary share (sen)	(1.14)	(2.98)