

**Condensed Unaudited Consolidated Statement of Financial Position
As At 30 June 2025**

	As at 30.06.2025 RM'000 (Unaudited)	As at 31.12.2024 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	397,151	415,793
Goodwill on consolidation	22	22
Right-of-use assets	16,056	16,580
Deferred tax assets	21,097	20,862
Investment properties	26,421	26,422
Total non-current assets	<u>460,747</u>	<u>479,679</u>
Current assets		
Inventories	62,226	108,695
Trade and other receivables	66,583	90,362
Prepayments	2,226	2,440
Tax Recoverable	91,071	90,311
Derivative financial assets	48	-
Other investment	75,799	107,473
Cash and cash equivalents	89,067	57,061
Total current assets	<u>387,020</u>	<u>456,342</u>
TOTAL ASSETS	<u><u>847,767</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	610,889	676,344
TOTAL EQUITY	<u>748,362</u>	<u>813,817</u>
Non-current liabilities		
Loans and borrowings	13,105	7,706
Provision for restoration	2,720	2,720
Deferred tax liabilities	1,335	1,349
Total non-current liabilities	<u>17,160</u>	<u>11,775</u>
Current liabilities		
Loans and borrowings	38,297	42,090
Trade and other payables	41,708	65,233
Contract liabilities	2,123	2,666
Derivative financial liabilities	117	440
Total current liabilities	<u>82,245</u>	<u>110,429</u>
TOTAL LIABILITIES	<u>99,405</u>	<u>122,204</u>
TOTAL EQUITY AND LIABILITIES	<u><u>847,767</u></u>	<u><u>936,021</u></u>
Net assets per share attributable to owners of the company (sen)	129	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 Second Quarter Ended 30 June 2025

	Current Quarter Ended <u>30.06.2025</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>30.06.2024</u> RM'000 (Unaudited)	Current YTD Ended <u>30.06.2025</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.06.2024</u> RM'000 (unaudited)
Revenue	80,362	76,569	186,976	143,774
Cost of sales	(112,760)	(80,660)	(222,381)	(157,934)
Gross loss	(32,398)	(4,091)	(35,405)	(14,160)
Other income	(2,606)	2,334	(1,686)	8,282
Selling and marketing expenses	(1,047)	(563)	(2,307)	(1,893)
Administrative expenses	(18,714)	(7,185)	(25,298)	(14,948)
Operating loss	(54,765)	(9,505)	(64,696)	(22,719)
Finance costs	(729)	(483)	(1,498)	(609)
Loss before tax	(55,494)	(9,988)	(66,194)	(23,328)
Income tax expense	656	3,360	739	6,073
Loss for the period	(54,838)	(6,628)	(65,455)	(17,255)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(54,838)	(6,628)	(65,455)	(17,255)
Loss attributable to:				
Owners of the Company	(54,838)	(6,628)	(65,455)	(17,255)
Total comprehensive loss attributable to:				
Owners of the Company	(54,838)	(6,628)	(65,455)	(17,255)
Loss per ordinary share attributable to owners of the Company (sen) (Note 27)				
- Basic	(9.47)	(1.14)	(11.30)	(2.98)
- Diluted	(9.47)	(1.14)	(11.30)	(2.98)

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 Second Quarter Ended 30 June 2025

	← Attributable to Owners of the Company →					
	Share Capital RM'000	Treasury Shares RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total Equity 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	-	-	-	-	(65,455)	(65,455)
Realisation of revaluation reserve	-	-	-	(792)	792	-
Total comprehensive expense	-	-	-	(792)	(64,663)	(65,455)
At 30 June 2025	142,985	(5,512)	11,319	29,486	570,084	748,362
	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 30 June 2025**

	Current YTD Ended 30.06.2025 RM'000 (Unaudited)	Corresponding YTD Ended 30.06.2024 RM'000 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(66,194)	(23,328)
Adjustments for:		
Net fair value (gain)/loss on derivatives	(369)	115
Property, plant and equipment		
- Loss on disposal	-	1
- Depreciation	19,694	20,672
- written off	12,316	848
Depreciation of right-of-use asset	523	515
Written back of doubtful debts	-	(33)
Inventory written off	43,147	-
Provision / (Reversal) of slow moving inventory	(18,943)	4,690
Provision / (Reversal) of inventory written down	(2,966)	1,926
Fair value gain on investment	(436)	(306)
Interest expense	1,498	609
Interest income	(2,063)	(3,982)
Unrealised loss /(gain) on foreign exchange	4,226	(3,071)
Operating loss before changes in working capital	(9,567)	(1,344)
Changes in working capital:		
Inventories	25,231	(22,587)
Receivables	18,697	(2,727)
Payables	(23,681)	14,308
Net cash generated from / (used in) from operations	10,680	(12,350)
Income tax paid	(769)	(911)
Income tax refund	450	1
Interest received	2,063	3,982
Net cash flow generated from / (used in) operating activities	12,424	(9,278)
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,369)	(12,418)
Interest income from other investments	809	1,220
Withdrawal from/(Additon) to other investments	31,301	(2,440)
Proceeds from disposal of property, plant and equipment	-	7
Net cash flows generated from /(used in) investing activities	18,741	(13,631)
Cash flows from financing activities		
Net changes in bill payables	(2,480)	4,878
Net changes in term loan financing	5,399	(1,398)
Net changes in lease liabilities	(1)	(364)
Interest paid	(1,498)	(609)
Net cash flows generated from financing activities	1,420	2,507
Net changes in cash and cash equivalents	32,585	(20,402)
Cash and cash equivalents at beginning of the financial year	57,061	141,182
	89,646	120,780
Effect of exchange rate changes on cash and cash equivalents	(579)	2,295
Cash and cash equivalents at end of the financial period	89,067	123,075

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 30 Jun 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.

For more information, kindly refer to the announcement on Bursa Malaysia’s website for the latest developments.

ii) Labour Union litigation

Subsequent to the reporting period, the Company received a Court Award related to the ongoing negotiations for a new Collective Agreement with the National Union of Employees in Companies Manufacturing Rubber Products. The award provides a framework for resolving certain outstanding matters between the parties. The Company is currently in the process of finalizing a new Collective Agreement based on the terms set out in the award.

As at the date of approval of these financial statements, no final agreement has been signed. However, based on management’s assessment of the Court Award and the anticipated terms of the new agreement, there is no material impact on the Company’s financial position or performance. Accordingly, no adjustments have been made to the financial statements as at 30 June 2025.

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 6 months period ended 30 Jun 2025:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from				
external customers	186,976	-	-	186,976
Inter segment revenue	2,850	1,069	(3,919)	-
Total revenue	<u>189,826</u>	<u>1,069</u>	<u>(3,919)</u>	<u>186,976</u>
Results				
Segment profit/(loss)	(34,553)	327	-	(34,226)
Interest income				2,063
Interest expense				(1,498)
Property, plant and equipment				
- depreciation				(19,694)
- written off				(12,316)
Depreciation of right-of-use asset				<u>(523)</u>
Loss before tax				<u>(66,194)</u>
Taxation				739
Net loss for the period				<u><u>(65,455)</u></u>

11. Operating segments

The Group's operating segments for the 6 months period ended 30 Jun 2024:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
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>
Results				
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>

12. Review of performance

	2nd Quarter Ended		Year to Date Ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	(2QYE30Jun25)	(2QYE30Jun24)	(6MFYE30Jun25)	(6MFYE30Jun24)
	RM'000	RM'000	RM'000	RM'000
Revenue	80,362	76,569	186,976	143,774
Gross loss	(32,398)	(4,091)	(35,405)	(14,160)
Operating loss	(54,765)	(9,505)	(64,696)	(22,719)
Loss before tax	(55,494)	(9,988)	(66,194)	(23,328)
Loss after tax	(54,838)	(6,628)	(65,455)	(17,255)
Loss attributable to Owners of the Company	(54,838)	(6,628)	(65,455)	(17,255)
Net loss margin	-68.2%	-8.7%	-35.0%	-12.0%

For the second quarter ended 30 June 2025, the Group recorded revenue of RM80.4 million, representing a 5% increase from RM76.6 million in the corresponding quarter of the previous year. The improvement was mainly supported by higher sales orders from local customers and an overall recovery in market conditions.

Despite the revenue growth, the Group's gross loss widened significantly to RM32.4 million compared to RM4.1 million in the corresponding quarter of 2024. The decline in gross profit was primarily attributable to the accelerated depreciation of the US dollar against the Malaysian ringgit, a substantial inventory write-off of RM43.0 million, the charge-out of inventory costed prior to the refinement of costing methodologies and unfavourable cost absorption arising from lower capacity utilisation. Nevertheless, the impact was partially mitigated by the Group's continued focus on cost optimisation and operational efficiency, refinement of inventory costing, and a reversal of inventory provisions and write-downs amounting to RM22.0 million during the quarter.

The Group posted a loss after tax of RM54.8 million, compared to a loss of RM6.6 million in the same quarter of the previous year, representing a deterioration of RM48.2 million. The higher loss was mainly due to the significant gross loss of RM28.0 million, unfavourable foreign exchange losses of RM3.3 million, fixed asset write-offs of RM12.0 million, and a lower recognition of deferred tax credit amounting to RM2.7 million for the financial period under review.

13. Variation of quarterly results against preceding quarter

	Quarter Ended		
	30.06.2025 (2QYE30Jun25) RM'000	31.03.2025 (1QYE31Mar25) RM'000	Changes %
Revenue	80,362	106,614	-25%
Gross loss	(32,398)	(3,007)	-977%
Operating loss	(54,765)	(9,931)	-451%
Loss before tax	(55,494)	(10,700)	-419%
Loss after tax	(54,838)	(10,617)	-417%
Loss attributable to owners of the Company	(54,838)	(10,617)	-417%
Net loss margin	-68.2%	-10.0%	

For the current quarter ended 30 June 2025 (2QFY2025), the Group registered revenue of RM80.3 million, representing a 25% decline from RM106.5 million recorded in the preceding quarter ended 31 March 2025 (1QFY2025). The decrease was mainly attributable to lower sales volumes in the export markets during the period under review.

The Group recorded a gross loss of RM32.4 million in 2QFY2025, compared to a gross loss of RM3.0 million in the preceding quarter. The weaker performance was primarily due to an inventory write-off of RM43.0 million, the charge-out of inventory costed prior to the refinement of costing methodologies and less favourable cost absorption arising from lower capacity utilisation. These adverse factors were partially offset by the reversal of the inventory provision and write down of RM22.0 million, refinement of inventory costing, continued implementation of cost optimisation measures, and enhancements in operational efficiency

The Group posted a loss after tax of RM54.8 million for the current quarter, a substantial increase of RM10.6 million compared to the preceding quarter. The higher loss was primarily attributable to the increase in gross loss by RM29.0 million, a fixed asset write-off of RM12.0 million, and a foreign exchange loss of RM2.2 million, which was higher than that of the preceding quarter, largely due to the continued depreciation of the US dollar against the Malaysian ringgit.

14. Current year prospects

While tariff policies remain outside our sphere of influence, our strategic response is well within our control. The Group has proactively committed capital expenditure toward operational enhancements and productivity optimisation by phasing out less productive assets. These targeted investments are designed to strengthen our competitive positioning and build resilience against external macroeconomic headwinds.

Concurrently, the glove sector continues to navigate a challenging landscape. Margin pressures are intensifying as the average selling price (ASP) differential narrows, exacerbated by aggressive price competition from Chinese producers. Furthermore, ongoing policy uncertainty in the United States has led to cautious purchasing behaviour among key buyers, adding to the sector's complexity.

Despite these dynamics, our baseline outlook for the sector remains stable under prevailing tariff structures. Notably, we are witnessing a strategic shift among global buyers, who are increasingly diversifying their procurement channels as part of comprehensive risk mitigation strategies. This trend is driving greater sourcing activity toward markets such as Malaysia—further cementing our relevance and positioning within the global market.

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 30.06.2025 RM'000	3 months ended 30.06.2024 RM'000	YTD ended 30.06.2025 RM'000	YTD ended 30.06.2024 RM'000
Interest income	1,315	2,198	2,063	3,982
Interest expense	(729)	(483)	(1,498)	(609)
Depreciation on property, plant and equipment	(9,890)	(9,931)	(19,694)	(20,672)
Depreciation of right-of-use asset	(262)	(121)	(523)	(515)
(Loss) / Gain on Foreign Exchange:				
- realised	(681)	234	(339)	728
- unrealised	(2,713)	(291)	(4,226)	3,071
Fair value gain/(loss) on derivatives	(38)	(130)	369	(115)
Property, plant and equipment written off	(12,316)	(848)	(12,316)	(848)
Fair value gain/(loss) on investment	(560)	168	436	306
Gain/(Loss) on disposal of plant and equipment	-	7	-	(1)
(Provision) / Reversal of slow moving inventory	19,877	(2,450)	18,943	(4,690)
(Provision) / Reversal of inventory written down	2,221	(1,389)	2,966	(1,926)
Inventory written off	(43,147)	-	(43,147)	-

17. Capital Commitments

As at 30 Jun 2025, the Group has the below capital commitments:

	YTD Ended 30.06.2025 RM'000	YTD Ended 30.6.2024 RM'000
Property, plant and equipment		
- approved and contracted for	10,247	19,226
- approved but not contracted for	-	-
	<u>10,247</u>	<u>19,226</u>

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

18. Taxation

	2nd Quarter Ended		YTD Ended	
	30.6.2025 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	30.6.2024 RM'000
Deferred taxation - current year	125	3,481	250	6,194
Taxation - current year	0	(121)	(42)	(121)
- over provision in prior year	531	-	531	-
	<u>656</u>	<u>3,360</u>	<u>739</u>	<u>6,073</u>

19. Derivative financial Liabilities

	Quarter Ended 30.06.2025		Year Ended 31.12.2024	
	Contract Amount RM'000	Assets/(Liabilities) RM'000	Contract Amount RM'000	Assets/(Liabilities) RM'000
Non-hedging derivative:				
Forward exchange contracts	<u>14,470</u>	<u>(69)</u>	<u>7,934</u>	<u>(439)</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 30 Jun 2025.

22. Borrowings

The Group have the following borrowings as at 30 Jun 2025:

	YTD Ended 30.06.2025 RM'000	YTD Ended 31.12.2024 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	9,999	4,600
- Lease liability	3,106	3,106
	13,105	7,706
Current:		
Secured		
- Bill payables (USD denominated)	18,839	15,485
- Bill payables (RM denominated)	16,055	23,201
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	607	608
	38,297	42,090
	51,402	49,796

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 30 Jun 2025 is as follow:

	YTD Ended 30.06.2025	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2025 / 30 Jun 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 30 Jun 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
	30.06.2025	30.06.2025
Loss attributable to owners of the Company (RM'000)	(54,838)	(65,455)
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)	(9.47)	(11.30)

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.

	3 months ended 30.06.2025	YTD ended 30.06.2025
Loss attributable to owners of the Company (RM'000)	(54,838)	(65,455)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,000	579,000
Effect of dilution from: - Share options ('000)	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	579,000	579,000
Diluted loss per ordinary share (sen)	(9.47)	(11.30)