

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

	As at 30.09.2025 RM'000 (Unaudited)	As at 31.12.2024 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	396,269	415,793
Goodwill on consolidation	22	22
Right-of-use assets	15,794	16,580
Deferred tax assets	21,222	20,862
Investment properties	26,421	26,422
Total non-current assets	459,728	479,679
Current assets		
Inventories	46,646	108,695
Trade and other receivables	56,332	90,362
Prepayments	1,869	2,440
Tax Recoverable	90,282	90,311
Derivative financial assets	55	-
Other investment	77,047	107,473
Cash and cash equivalents	93,042	57,061
Total current assets	365,273	456,342
TOTAL ASSETS	825,001	936,021
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	142,985	142,985
Treasury shares	(5,512)	(5,512)
Reserves	589,666	676,344
TOTAL EQUITY	727,139	813,817
Non-current liabilities		
Loans and borrowings	13,131	7,706
Provision for restoration	2,720	2,720
Deferred tax liabilities	1,335	1,349
Total non-current liabilities	17,186	11,775
Current liabilities		
Loans and borrowings	33,937	42,090
Trade and other payables	44,898	65,233
Contract liabilities	1,779	2,666
Derivative financial liabilities	62	440
Total current liabilities	80,676	110,429
TOTAL LIABILITIES	97,862	122,204
TOTAL EQUITY AND LIABILITIES	825,001	936,021
Net assets per share attributable to owners of the company (sen)	126	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 Third Quarter Ended 30 Sep 2025

	Current Quarter Ended <u>30.09.2025</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>30.09.2024</u> RM'000 (Unaudited)	Current YTD Ended <u>30.09.2025</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.09.2024</u> RM'000 (unaudited)
Revenue	76,076	105,485	263,052	249,259
Cost of sales	(90,720)	(110,816)	(313,101)	(268,750)
Gross loss	(14,644)	(5,331)	(50,049)	(19,491)
Other income	1,994	(13,021)	308	(4,739)
Selling and marketing expenses	(953)	(1,037)	(3,260)	(2,930)
Administrative expenses	(7,313)	(6,219)	(32,611)	(21,167)
Operating loss	(20,916)	(25,608)	(85,612)	(48,327)
Finance costs	(432)	(738)	(1,930)	(1,347)
Loss before tax	(21,348)	(26,346)	(87,542)	(49,674)
Income tax expense	125	26	864	6,099
Loss for the period	(21,223)	(26,320)	(86,678)	(43,575)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(21,223)	(26,320)	(86,678)	(43,575)
Loss attributable to: Owners of the Company	(21,223)	(26,320)	(86,678)	(43,575)
Total comprehensive loss attributable to: Owners of the Company	(21,223)	(26,320)	(86,678)	(43,575)
Loss per ordinary share attributable to owners of the Company (sen) (Note 27)				
- Basic	(3.67)	(4.54)	(14.97)	(7.52)
- Diluted	(3.67)	(4.54)	(14.97)	(7.52)

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 Third Quarter Ended 30 Sep 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	-	-	-	-	(86,678)	(86,678)
Realisation of revaluation reserve	-	-	-	(1,188)	1,188	-
Total comprehensive expense	-	-	-	(1,188)	(85,490)	(86,678)
At 30 Sep 2025	142,985	(5,512)	11,319	29,090	549,257	727,139
	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 September 2025

	Current YTD Ended <u>30.09.2025</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.09.2024</u> RM'000 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(87,542)	(49,674)
Adjustments for:		
Net fair value (gain)/loss on derivatives	(433)	558
Property, plant and equipment		
- Loss on disposal	-	285
- Depreciation	29,113	30,183
- written off	12,316	848
Depreciation of right-of-use asset	786	628
Written back of doubtful debts	-	(33)
Inventory written off	43,147	-
Provision / (Reversal) of slow moving inventory	(18,966)	6,430
Provision of inventory written down	288	5,362
Fair value gain on investment	(1,538)	(80)
Interest expense	1,930	1,347
Interest income	(2,813)	(5,386)
Unrealised loss on foreign exchange	2,791	8,865
Operating loss before changes in working capital	<u>(20,921)</u>	<u>(667)</u>
Changes in working capital:		
Inventories	37,580	(33,788)
Receivables	31,601	(19,879)
Payables	(20,943)	12,696
Net cash generated from / (used in) from operations	<u>27,317</u>	<u>(41,638)</u>
Income tax paid	(769)	(1,317)
Income tax refund	1,237	1
Interest received	2,813	5,386
Net cash flow generated from / (used in) operating activities	<u>30,598</u>	<u>(37,568)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,907)	(25,905)
Interest income from other investments	956	1,506
Withdrawal from/(Additon) to other investments	31,008	(3,012)
Proceeds from disposal of property, plant and equipment	-	7
Net cash flows generated from / (used in) investing activities	<u>10,057</u>	<u>(27,404)</u>
Cash flows from financing activities		
Net changes in bill payables	(7,643)	22,756
Net changes in term loan financing	5,425	(2,097)
Net changes in lease liabilities	-	(364)
Interest paid	(1,930)	(1,347)
Net cash flows generated from/(used in) financing activities	<u>(4,148)</u>	<u>18,948</u>
Net changes in cash and cash equivalents	36,507	(46,024)
Cash and cash equivalents at beginning of the financial year	<u>57,061</u>	<u>141,182</u>
	93,568	95,158
Effect of exchange rate changes on cash and cash equivalents	(526)	(5,236)
Cash and cash equivalents at end of the financial period	<u>93,042</u>	<u>89,922</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 30 Sep 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. The financial loss arising from the court award, amounting to RM2.9 million, has been fully paid through three installment payments. The payments were made on 3 July 2025, 5 August 2025 and 4 September 2025 during the 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 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 9 months period ended 30 Sep 2025:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from				
external customers	263,052	-	-	263,052
Inter segment revenue	3,501	2,365	(5,866)	-
Total revenue	266,553	2,365	(5,866)	263,052
Results				
Segment profit/(loss)	(47,109)	899	-	(46,210)
Interest income				2,813
Interest expense				(1,930)
Property, plant and equipment				
- depreciation				(29,113)
- written off				(12,316)
Depreciation of right-of-use asset				(786)
Loss before tax				(87,542)
Taxation				864
Net loss for the period				(86,678)

11. Operating segments

The Group's operating segments for the 9 months period ended 30 Sep 2024:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from				
external customers	249,259	-	-	249,259
Inter segment revenue	4,305	1,832	(6,137)	-
Total revenue	<u>253,564</u>	1,832	(6,137)	<u>249,259</u>
Results				
Segment (loss)/profit	(25,135)	3,366	-	(21,769)
Interest income				5,386
Interest expense				(1,347)
Property, plant and equipment				
- depreciation				(30,183)
- (loss) on disposal				(285)
- written off				(848)
Depreciation of right-of-use asset				<u>(628)</u>
Loss before tax				(49,674)
Taxation				<u>6,099</u>
Net loss for the period				<u><u>(43,575)</u></u>

12. Review of performance

	3rd Quarter Ended		Year to Date Ended	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	(3QYE30Sep25)	(3QYE30Sep24)	(9MFYE30Sep25)	(9MFYE30Sep24)
	RM'000	RM'000	RM'000	RM'000
Revenue	76,076	105,485	263,052	249,259
Gross loss	(14,644)	(5,331)	(50,049)	(19,491)
Operating loss	(20,916)	(25,608)	(85,612)	(48,327)
Loss before tax	(21,348)	(26,346)	(87,542)	(49,674)
Loss after tax	(21,223)	(26,320)	(86,678)	(43,575)
Loss attributable to Owners of the Company	(21,223)	(26,320)	(86,678)	(43,575)
Net loss margin	-27.9%	-25.0%	-33.0%	-17.5%

For the third quarter ended 30 September 2025, the Group recorded a revenue of RM76.1 million, representing a 28% decrease from RM105.5 million reported in the corresponding quarter of the previous financial year. The decline in revenue was primarily attributable to lower sales orders from export markets and intensified price competition within the global glove industry, which continued to exert pressure on selling prices and demand volumes.

In tandem with the lower revenue, the Group's gross loss widened to RM14.6 million, compared to RM5.3 million in the corresponding quarter of 2024. The higher loss was primarily attributed to a lower of sales volume, as well as unfavourable cost absorption resulting from lower capacity utilisation. Nevertheless, these adverse impacts were partially mitigated by the Group's ongoing cost optimisation initiatives.

The Group recorded a loss after tax of RM21.2 million, compared to a loss after tax of RM26.3 million in the corresponding quarter of the previous year, representing an improvement of RM5.1 million. The narrower loss was mainly due to the absence of a foreign exchange loss of RM14.0 million recorded in the corresponding quarter of 2024, coupled with a fair value gain on investment amounting to RM1.0 million during the current quarter.

13. Variation of quarterly results against preceding quarter

	Quarter Ended		
	30.09.2025 (3QYE30Sep25) RM'000	30.06.2025 (2QYE30Jun25) RM'000	Changes %
Revenue	76,076	80,362	-5%
Gross loss	(14,644)	(32,398)	55%
Operating loss	(20,916)	(54,765)	62%
Loss before tax	(21,348)	(55,494)	62%
Loss after tax	(21,223)	(54,838)	61%
Loss attributable to owners of the Company	(21,223)	(54,838)	61%
Net loss margin	-27.9%	-68.2%	

For the current quarter ended 30 September 2025 (3QFY2025), the Group recorded a revenue of RM76.1 million, representing a 5% decrease compared to RM80.4 million in the preceding quarter ended 30 June 2025 (2QFY2025). The decline in revenue was primarily due to lower sales volumes in both domestic and export markets amid persistent industry oversupply and continued pricing pressures within the glove sector.

The Group reported a gross loss of RM14.6 million in 3QFY2025, representing a significant improvement from the gross loss of RM32.0 million recorded in the preceding quarter. Nonetheless, the improvement in gross loss was mainly driven by the continued implementation of cost optimisation initiatives and operational efficiency enhancements.

The Group recorded a loss after tax of RM21.2 million for the current quarter, reflecting a substantial improvement of RM33.6 million compared to the loss after tax of RM54.8 million in the preceding quarter. The reduction in losses was primarily attributable to the lower gross loss of RM18.0 million, the absence of a fixed asset write-off of RM12.0 million recorded in the previous quarter, and the non-recurrence of a foreign exchange loss of RM3.4 million recognised previously.

14. Current year prospects

The near-term outlook for the rubber glove industry remains subdued, weighed down by an intensely competitive pricing landscape and persistent global oversupply. Aggressive price undercutting, particularly from regional manufacturers in China and Thailand, continues to erode margins and constrain producers' ability to pass on cost fluctuations to customers. Consequently, average selling prices are expected to stay largely unchanged quarter-on-quarter, underscoring the industry's fragile demand and supply dynamics.

Nevertheless, a modest earnings recovery may materialise as buyer restocking activities gain traction following extended inventory drawdowns in recent quarters. This restocking cycle, coupled with lower latex and natural gas prices, could offer temporary respite to manufacturers' profitability. Looking ahead, we will emphasis to focus on capacity optimisation, automation, and the development of value-added products and sustainable glove solutions to enhance competitiveness and mitigate prolonged pricing pressure.

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 30.09.2025 RM'000	3 months ended 30.09.2024 RM'000	YTD ended 30.09.2025 RM'000	YTD ended 30.09.2024 RM'000
Interest income	750	1,404	2,813	5,386
Interest expense	(432)	(738)	(1,930)	(1,347)
Depreciation on property, plant and equipment	(9,419)	(9,511)	(29,113)	(30,183)
Depreciation of right-of-use asset	(262)	(113)	(786)	(628)
(Loss) / Gain on Foreign Exchange:				
- realised	(1,597)	(1,573)	(1,936)	(845)
- unrealised	1,435	(11,936)	(2,791)	(8,865)
Fair value gain/(loss) on derivatives	64	(443)	433	(558)
Property, plant and equipment written off	-	-	(12,316)	(848)
Fair value gain/(loss) on investment	1,102	(226)	1,538	80
Loss on disposal of plant and equipment	-	(284)	-	(285)
Written back of doubtful debts	-	-	-	33
Reversal/(Provision) of slow moving inventory	23	(1,740)	18,966	(6,430)
Provision of inventory written down	(3,254)	(3,436)	(288)	(5,362)
Inventory written off	0	-	(43,147)	-

17. Capital Commitments

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

	YTD Ended 30.09.2025 RM'000	YTD Ended 30.9.2024 RM'000
Property, plant and equipment		
- approved and contracted for	5,118	13,310
- approved but not contracted for	-	-
	<u>5,118</u>	<u>13,310</u>

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

18. Taxation

	3rd Quarter Ended		YTD Ended	
	30.9.2025 RM'000	30.9.2024 RM'000	30.9.2025 RM'000	30.9.2024 RM'000
Deferred taxation - current year	125	25	375	6,220
Taxation - current year	-	-	(42)	(121)
- over provision in prior year	-	-	531	-
	<u>125</u>	<u>25</u>	<u>864</u>	<u>6,099</u>

19. Derivative financial Liabilities

	Quarter Ended 30.09.2025		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>18,638</u>	<u>(7)</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 Sep 2025.

22. Borrowings

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

	YTD Ended 30.09.2025 RM'000	YTD Ended 31.12.2024 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	10,025	4,600
- Lease liability	3,106	3,106
	<u>13,131</u>	<u>7,706</u>
Current:		
Secured		
- Bill payables (USD denominated)	18,581	15,485
- Bill payables (RM denominated)	11,953	23,201
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	607	608
	<u>33,937</u>	<u>42,090</u>
	<u>47,068</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 30 Sep 2025 is as follow:

	YTD Ended 30.09.2025	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2025 / 30 Sep 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 Sep 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
	30.09.2025	30.09.2025
Loss attributable to owners of the Company (RM'000)	(21,223)	(86,678)
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)	(3.67)	(14.97)

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 30.09.2025	YTD ended 30.09.2025
Loss attributable to owners of the Company (RM'000)	(21,223)	(86,678)
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)	(3.67)	(14.97)