

**Condensed Unaudited Consolidated Statement of Financial Position**  
**As At 31 December 2022**

	<b>As at</b> <b>31.12.2022</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>As at</b> <b>31.12.2021</b> <b>RM'000</b> <b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	431,746	427,562
Goodwill on consolidation	22	22
Right-of-use assets	13,250	13,651
Investment properties	26,422	-
<b>Total non-current assets</b>	<u>471,440</u>	<u>441,235</u>
<b>Current assets</b>		
Inventories	109,684	198,205
Trade and other receivables	68,876	140,638
Prepayments	2,834	4,328
Tax Recoverable	89,651	60,556
Derivative financial assets	-	378
Cash and cash equivalents	247,235	334,239
<b>Total current assets</b>	<u>518,280</u>	<u>738,344</u>
<b>TOTAL ASSETS</b>	<u><u>989,720</u></u>	<u><u>1,179,579</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	142,985	142,985
Treasury shares	(5,368)	(4,771)
Reserves	754,418	796,733
<b>TOTAL EQUITY</b>	<u>892,035</u>	<u>934,947</u>
<b>Non-current liabilities</b>		
Loans and borrowings	11,195	13,991
Deferred tax liabilities	2,750	30,396
<b>Total non-current liabilities</b>	<u>13,945</u>	<u>44,387</u>
<b>Current liabilities</b>		
Loans and borrowings	26,611	80,863
Trade and other payables	52,331	84,894
Contract liabilities	4,798	7,899
Derivative financial liabilities	-	-
Tax payable	-	26,589
<b>Total current liabilities</b>	<u>83,740</u>	<u>200,245</u>
<b>TOTAL LIABILITIES</b>	<u>97,685</u>	<u>244,632</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>989,720</u></u>	<u><u>1,179,579</u></u>
<b>Net assets per share attributable to owners of the company (sen)</b>	154	161

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2021.

## Condensed Unaudited Consolidated Statement of Comprehensive Income For the Fourth Quarter Ended 31 December 2022

	Current Quarter Ended 31.12.2022 RM'000 (Unaudited)	Corresponding Quarter Ended 31.12.2021 RM'000 (Unaudited)	Current YTD Ended 31.12.2022 RM'000 (Unaudited)	Corresponding YTD Ended 31.12.2021 RM'000 (Unaudited)
Revenue	103,703	N/A	606,679	N/A
Cost of sales	(130,885)	N/A	(624,694)	N/A
<b>Gross (loss)</b>	<b>(27,182)</b>	<b>N/A</b>	<b>(18,015)</b>	<b>N/A</b>
Other income	(8,509)	N/A	10,111	N/A
Selling and marketing expenses	(2,738)	N/A	(12,613)	N/A
Administrative expenses	(9,538)	N/A	(37,816)	N/A
<b>Operating loss</b>	<b>(47,967)</b>	<b>N/A</b>	<b>(58,333)</b>	<b>N/A</b>
Finance costs	(475)	N/A	(1,838)	N/A
<b>Loss before tax</b>	<b>(48,442)</b>	<b>N/A</b>	<b>(60,171)</b>	<b>N/A</b>
Income tax expense	30,898	N/A	17,856	N/A
<b>Loss for the year</b>	<b>(17,544)</b>	<b>N/A</b>	<b>(42,315)</b>	<b>N/A</b>
Other comprehensive income, net of tax	-	N/A	-	N/A
<b>Total comprehensive loss for the year</b>	<b>(17,544)</b>	<b>N/A</b>	<b>(42,315)</b>	<b>N/A</b>
<b>Loss attributable to:</b>				
<b>Owners of the Company</b>	<b>(17,544)</b>	<b>N/A</b>	<b>(42,315)</b>	<b>N/A</b>
<b>Total comprehensive loss attributable to:</b>				
<b>Owners of the Company</b>	<b>(17,544)</b>	<b>N/A</b>	<b>(42,315)</b>	<b>N/A</b>
<b>Loss per ordinary share attributable to owners of the Company (sen) (Note 28)</b>				
- Basic	(3.03)	N/A	(7.30)	N/A
- Diluted	(3.03)	N/A	(7.30)	N/A

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 2021.

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence periods in the prior year are not presented.

**Condensed Unaudited Consolidated Statement of Changes in Equity For the Fourth Quarter Ended 31 December 2022**

	← 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
<b><u>12 Months Ended 31 December 2022</u></b>						
At 1 January 2022	142,985	(4,771)	11,319	18,597	766,817	934,947
<b>Total comprehensive loss for the financial year</b>						
Loss for the financial year	-	-	-	-	(42,315)	(42,315)
Realisation of revaluation reserve	-	-	-	(675)	675	-
Total comprehensive income	-	-	-	(675)	(41,640)	(42,315)
<b>Transactions with owners of the Company</b>						
Shares repurchased	-	(597)	-	-	-	(597)
Dividends paid on shares	-	-	-	-	-	-
Total transactions with owners	-	(597)	-	-	-	(597)
At 31 December 2022	142,985	(5,368)	11,319	17,922	725,177	892,035

The Condensed Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2021.

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence periods in the prior year are not presented.

**Condensed Unaudited Consolidated Statement of Cash Flows  
For The Year Ended 31 December 2022**

	<b>Current YTD Ended 31.12.2022 RM'000 (Unaudited)</b>	<b>Corresponding YTD Ended 31.12.2021 RM'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(60,171)	N/A
Adjustments for:		
Net fair value (gain)/loss on derivatives	378	N/A
Property, plant and equipment		
- (Gain)/loss on disposal	75	N/A
- depreciation	44,754	N/A
- written off	351	N/A
Depreciation of right-of-use asset	401	N/A
Written back of doubtful debts	(1,509)	N/A
Inventory provision on slow moving	4,678	N/A
Inventory written down	5,807	N/A
Interest expense	1,838	N/A
Interest income	(3,086)	N/A
Unrealised (gain)/loss on foreign exchange	2,732	N/A
<b>Operating loss before changes in working capital</b>	<b>(3,752)</b>	<b>N/A</b>
Changes in working capital:		
Inventories	78,036	N/A
Receivables	71,654	N/A
Payables	(35,266)	N/A
<b>Net cash generated from operations</b>	<b>110,672</b>	<b>N/A</b>
Income tax paid	(65,970)	N/A
Interest received	3,086	N/A
<b>Net cash flow generated from operating activities</b>	<b>47,788</b>	<b>N/A</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(49,665)	N/A
Acquisition of subsidiary net of cash and cash equivalent	(25,924)	N/A
Proceeds from disposal of property, plant and equipment	300	N/A
<b>Net cash flows used in investing activities</b>	<b>(75,289)</b>	<b>N/A</b>
<b>Cash flows from financing activities</b>		
Repurchase of treasury shares	(597)	N/A
Net changes in bill payables	(54,271)	N/A
Net changes in term loan financing	(2,797)	N/A
Net changes in lease liability		N/A
Interest paid	(1,838)	N/A
<b>Net cash flows used in financing activities</b>	<b>(59,503)</b>	<b>N/A</b>
<b>Net changes in cash and cash equivalents</b>	<b>(87,004)</b>	<b>N/A</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>334,239</b>	<b>N/A</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>247,235</b>	<b>N/A</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	134,562	N/A
Short-term investments	112,673	N/A
	<b>247,235</b>	<b>N/A</b>

The Condensed Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial period ended 31 December 2021.

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence periods in the prior year are not presented.

## 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 period ended 31 December 2021. 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 period ended 31 December 2021 except for the adoption of the following amendments to MFRSs:

Amendments to MFRS 16	Covid-19 Related Rent Concessions
Amendments to MFRS 9, MFRS 139, and MFRS 7	Interest Rate Benchmark Reform – Phase 2

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial statements of the Group.

### 2. Audit qualifications

The auditors’ reports on the financial statements of the Group for the financial period ended 31 December 2021 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 year 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 years that would have material impact in the current financial year report.

**6. Change of Financial Year End**

On 26 November 2021, the Group had announced that it has changed its financial year end from 31 January to 31 December. Therefore, the Group's current financial reporting period is twelve (12) months commencing from 1 January 2022 to 31 December 2022.

**7. 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 year ended 31 December 2022.

**8. Contingent assets and contingent liabilities**

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

**9. Property, plant and equipment**

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

**10. Material events**

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

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

On 10 June 2022, Goldhill Melody Sdn. Bhd. ("GMSB") became a wholly owned subsidiary of the Company following the completion in accordance with the terms of the Sales & Purchase Agreement on the said date.

Save for the above, there were no other changes in the composition of the Group during the current financial year to date.

## 12. Operating segments

The Group's operating segments for the 12 months period ended 31 December 2022:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
<b>Revenue</b>				
Revenue from				
external customers	606,679	-	-	606,679
Inter segment revenue	265,203	3,185	(268,388)	-
Total revenue	871,882	3,185	(268,388)	606,679
<b>Results</b>				
Segment profit	(18,949)	3,111	-	(15,838)
Interest income				3,086
Interest expense				(1,838)
Property, plant and equipment				
- depreciation				(44,754)
- loss on disposal				(75)
- written off				(351)
Depreciation of right-of-use asset				(401)
Loss before tax				(60,171)
Taxation				17,856
Net loss for the year				(42,315)

Note:

On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the segmental result of correspondence periods in the prior year are not presented.

**13. Review of performance**

	4th Quarter Ended		Year to Date Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(4QYE31Dec22)	(4QYE31Dec21)	(12MFYE31Dec22)	(12MFYE31DEC21)
	RM'000	RM'000	RM'000	RM'000
Revenue	103,703	N/A	606,679	N/A
Gross (loss)	(27,182)	N/A	(18,015)	N/A
Operating loss	(47,967)	N/A	(58,333)	N/A
Loss before tax	(48,442)	N/A	(60,171)	N/A
Loss after tax	(17,544)	N/A	(42,315)	N/A
Loss attributable to Owners of the Company	(17,544)	N/A	(42,315)	N/A
Loss margin	-16.9%	N/A	-7.0%	N/A

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the segmental result of correspondence periods in the prior year are not presented.

For the year ended 31 December 2022, the Group achieved sales revenue of RM606.7 million with loss after tax of RM42.3 million. FY2022 was a challenging year for Comfort and the Group has made provisions to write down the inventory value net realisable value and slow moving provision by RM5.8 million and RM4.7 million respectively.

The market demand for the gloves industry was low in year 2022 and moreover, the business also faced challenges from rising manufacturing cost such as natural gas, labour costs, freight cost etc. The lower average selling prices also affected the profit margin of the Group.

Management will continue to manage production efficiency and reducing / controlling cost of production to overcome these challenges.



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

	Quarter Ended		
	31.12.2022 (4QYE31Dec22) RM'000	30.09.2022 (3QYE31Dec22) RM'000	Changes %
	<b>Revenue</b>	103,703	126,787
<b>Gross loss</b>	(27,182)	(2,614)	940%
<b>Operating loss</b>	(47,967)	(8,049)	496%
<b>Loss before tax</b>	(48,442)	(8,651)	460%
<b>Loss after tax</b>	(17,544)	(17,840)	-2%
<b>Loss attributable to owners of the Company</b>	(17,544)	(17,840)	-2%
<b>Net loss</b>	-16.9%	-14.1%	

The Group generated sales revenue of RM103.7 million for the current quarter ended 31 December 2022 (4QYE31Dec22) as compared with RM126.8 million in the preceding quarter, representing a 18% decreased or RM 23.1 million. This was mainly contributed by reduction in sales quantity and ASP.

Under the current reporting quarter (4QYE31Dec22), The Group registered a net loss before tax of RM48.4 million in 4QYE31Dec22 as compared to last quarter 3QYE31Dec22 of net loss after tax of RM8.7 million. This was largely due to the reduction in ASP, lower machine utilisation rate and the increase in natural gas price

However, The Group recorded net loss after tax of RM17.5 million in 4QYE31Dec22 as compare to last quarter 3QYE31Dec22 of net loss of RM17.8 million, this was largely due to the Group has made an reversal of deferred tax expense for the amounting to RM32 million.

**15. Current year prospects**

Moving forward in the near term, the Group is of the opinion that the economic challenge due to inflation is expected to continue in 2023, the anticipated increase in raw material (NBR and NR) prices coupled with the increase in the gas and electricity unit prices will be the key concerns of the cost of production to the group.

Strategic efforts such as strengthening product portfolios, enhancement of supply chain good practices, and focusing on taking out redundancy and cost will be implemented to maintain competitiveness post-pandemic and during this challenging time.

Barring unforeseen circumstances, with the Average Selling Price (ASP) stabilisation over the past few months, the Group is hopeful recovery is on the horizon.

The Group is optimistic that driven by the customer replenishment cycle and the global demand will rebalance itself and the market shall stabilize in the near term.

**16. Profit forecast or profit guarantee**

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

**17. Loss before taxation**

This was arrived at after crediting/(charging):

	3 months ended 31.12.2022 RM'000	3 months ended 31.12.2021 RM'000	YTD ended 31.12.2022 RM'000	YTD ended 31.12.2021 RM'000
Interest income	1,576	N/A	3,086	N/A
Interest expense	(475)	N/A	(1,838)	N/A
Depreciation on property, plant and equipment	(11,522)	N/A	(44,754)	N/A
Depreciation of right-of-use asset	(100)	N/A	(401)	N/A
Gain/(Loss) on Foreign Exchange:	-			
- realised	(94)	N/A	1,732	N/A
- unrealised	(6,374)	N/A	(2,732)	N/A
Fair value gain / (loss) on derivatives	-	N/A	(378)	N/A
Property, plant and equipment written off	(48)	N/A	(351)	N/A
Loss on disposal of plant and equipment	-	N/A	(75)	N/A
Inventory provision on slow moving	(1,177)	N/A	(4,678)	N/A
Inventories written down	3,827	N/A	(5,807)	N/A
Written back of doubtful debts	-	N/A	1,509	N/A

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the segmental result of correspondence periods in the prior year are not presented.

**18. Capital Commitments**

As at 31 December 2022, the Group has the below capital commitments:

	YTD Ended 31.12.2022 RM'000
Property, plant and equipment	
- approved and contracted for	3,668
- approved but not contracted for	-
	<u>3,668</u>

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

**19. Taxation**

	<b>YTD Ended 31.12.2022 RM'000</b>	<b>YTD Ended 31.12.2021 RM'000</b>
Deferred taxation	28,145	(2,111)
Taxation - current year	(2,772)	(121,791)
- (under) / over provision in prior year	(7,517)	6,253
	<u>17,856</u>	<u>(117,649)</u>

The effective tax rate of the Group is higher than the statutory tax rate due to the provision of taxation in subsidiaries.

**20. Derivative financial assets**

	<b>Year Ended 31.12.2022</b>		<b>Year Ended 31.12.2021</b>	
	<b>Contract Amount RM'000</b>	<b>Assets/(Liabilities) RM'000</b>	<b>Contract Amount RM'000</b>	<b>Assets/(Liabilities) RM'000</b>
<b>Non-hedging derivative:</b>				
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>51,787</u>	<u>378</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 periods 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.

During the financial year, the Group recognised a loss of RM 378 thousand arising from fair value changes of derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

**21. Quoted investment**

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

## 22. Status of corporate proposal announced

The Company, had on 9 March 2022, entered into a conditional share purchase agreement (“SPA”) with the following parties:-

- i. CN Lau & Sons. Sdn. Bhd.
- ii. HN Lau & Sons. Sdn. Bhd.
- iii. Lau Joo Yong
- iv. Puan Sri Goh Kim Kooi; and
- v. LTN Resources Sdn. Bhd.

(collectively, referred to as the “Vendors”)

for the acquisition of 100,000 ordinary shares in GMSB (“Sale Shares”) from the Vendors for a total cash consideration of RM25,750,000 (“Purchase Consideration”), subject to the terms and conditions of the SPA. The acquisition is completed on 10 June 2022.

There was no other corporate proposal announced and not completed as of 31 December 2022.

## 23. Borrowings

The Group have the following borrowings as at 31 December 2022:

	YTD Ended 31.12.2022 RM'000	YTD Ended 31.12.2021 RM'000
<b>Non current:</b>		
<b>Secured</b>		
- Term Loan (RM denominated)	10,192	12,988
- Lease liability	1,003	1,003
	11,195	13,991
<b>Current:</b>		
<b>Secured</b>		
- Bill payables (USD denominated)	-	54,215
- Bill payables (RM denominated)	23,801	23,838
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	14	14
	26,611	80,863
	37,806	94,854

**24. Material litigation**

The Group was not aware of any material litigation that may have significant impact to the Group's profit.

**25. Dividends**

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

**26. Share Capital**

The Group's share capital as at 31 December 2022 is as follow:

	YTD Ended 31.12.2022	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2022 / 31 Dec 2022	582,949	142,985

**27. Treasury Shares**

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

For the year under review, the Company repurchased 1,093,200 shares from the open market at an average price of RM0.545 per share. The total consideration paid including transaction costs was RM596,633 which was financed by internally generated funds.

At 31 December 2022, the number of the Company's treasury shares held is 3,599,300 shares, at a carrying amount of RM5,368,041.

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

**28. 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:

	<b>3 months ended</b> <b>31.12.2022</b>	<b>YTD ended</b> <b>31.12.2022</b>
Loss attributable to owners of the Company (RM'000)	(17,544)	(42,315)
Weighted average number of ordinary shares for basic earnings per share ('000)	580,443	580,443
Effect of dilution from:	(753)	(501)
Weighted average number of ordinary shares for diluted earnings per share ('000)(basic)	579,690	579,942
Basic loss per ordinary share (sen)	(3.03)	(7.30)

**28. 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>31.12.2022</b>	<b>31.12.2022</b>
Loss attributable to owners of the Company (RM'000)	(17,544)	(42,315)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,690	579,942
Effect of dilution from:		
- Share options ('000)	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>579,690</u>	<u>579,942</u>
Diluted loss per ordinary share (sen)	(3.03)	(7.30)