

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

	<b>As at 30.09.2024 RM'000 (Unaudited)</b>	<b>As at 31.12.2023 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	412,557	418,044
Goodwill on consolidation	22	22
Right-of-use assets	14,666	15,294
Other investments	10,000	10,000
Deferred tax assets	13,475	6,898
Investment properties	26,421	26,422
<b>Total non-current assets</b>	<u>477,141</u>	<u>476,680</u>
<b>Current assets</b>		
Inventories	107,291	85,294
Trade and other receivables	70,933	57,510
Prepayments	1,809	2,676
Tax Recoverable	96,313	95,180
Derivative financial assets	281	-
Other investment	107,133	105,547
Cash and cash equivalents	89,923	141,182
<b>Total current assets</b>	<u>473,683</u>	<u>487,389</u>
<b>TOTAL ASSETS</b>	<u>950,824</u>	<u>964,069</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	688,573	732,231
<b>TOTAL EQUITY</b>	<u>826,046</u>	<u>869,704</u>
<b>Non-current liabilities</b>		
Loans and borrowings	6,566	9,028
Provision for restoration	2,588	2,588
Deferred tax liabilities	2,650	2,291
<b>Total non-current liabilities</b>	<u>11,804</u>	<u>13,907</u>
<b>Current liabilities</b>		
Loans and borrowings	52,971	33,337
Trade and other payables	57,073	44,411
Contract liabilities	2,090	2,710
Derivative financial liabilities	840	-
<b>Total current liabilities</b>	<u>112,974</u>	<u>80,458</u>
<b>TOTAL LIABILITIES</b>	<u>124,778</u>	<u>94,365</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>950,824</u>	<u>964,069</u>
<b>Net assets per share attributable to owners of the company (sen)</b>	143	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.

	Current Quarter Ended <u>30.09.2024</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>30.09.2023</u> RM'000 (Unaudited)	Current YTD Ended <u>30.09.2024</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.09.2023</u> RM'000 (unaudited)
Revenue	105,485	72,449	249,259	252,239
Cost of sales	(110,816)	(71,898)	(268,750)	(280,501)
<b>Gross loss / profit</b>	<b>(5,331)</b>	<b>551</b>	<b>(19,491)</b>	<b>(28,262)</b>
Other (expense) / income	(13,021)	2,453	(4,739)	14,903
Selling and marketing expenses	(1,037)	(1,020)	(2,930)	(3,485)
Administrative expenses	(6,219)	(5,458)	(21,167)	(20,515)
<b>Operating loss</b>	<b>(25,608)</b>	<b>(3,474)</b>	<b>(48,327)</b>	<b>(37,359)</b>
Finance costs	(738)	(541)	(1,347)	(1,620)
<b>Loss before tax</b>	<b>(26,346)</b>	<b>(4,015)</b>	<b>(49,674)</b>	<b>(38,979)</b>
Income tax expense	26	(3,898)	6,099	(2,256)
<b>Loss for the period</b>	<b>(26,320)</b>	<b>(7,913)</b>	<b>(43,575)</b>	<b>(41,235)</b>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(26,320)</b>	<b>(7,913)</b>	<b>(43,575)</b>	<b>(41,235)</b>
<b>Loss attributable to:</b>				
<b>Owners of the Company</b>	<b>(26,320)</b>	<b>(7,913)</b>	<b>(43,575)</b>	<b>(41,235)</b>
<b>Total comprehensive loss attributable to:</b>				
<b>Owners of the Company</b>	<b>(26,320)</b>	<b>(7,913)</b>	<b>(43,575)</b>	<b>(41,235)</b>
<b>Loss per ordinary share attributable to owners of the Company (sen) (Note 27)</b>				
- Basic	<b>(4.54)</b>	<b>(1.37)</b>	<b>(7.52)</b>	<b>(7.14)</b>
- Diluted	<b>(4.54)</b>	<b>(1.37)</b>	<b>(7.52)</b>	<b>(7.14)</b>

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 Third Quarter Ended 30 September 2024

	← 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 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	-	-	-	-	(43,575)	(43,575)
Realisation of revaluation reserve	-	-	-	(1,270)	1,187	(83)
Total comprehensive expense	-	-	-	(1,270)	(42,388)	(43,658)
At 30 September 2024	142,985	(5,512)	11,319	30,592	646,662	826,046
	<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 September 2024**

	<b>Current YTD Ended 30.09.2024 RM'000 (Unaudited)</b>	<b>Corresponding YTD Ended 30.09.2023 RM'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(49,674)	(38,979)
Adjustments for:		
Net fair value loss on derivatives	558	39
Property, plant and equipment		
- loss / (gain) on disposal	285	(61)
- depreciation	30,183	33,864
- written off	848	-
Depreciation of right-of-use asset	628	301
Written back of doubtful debts	(33)	(60)
Inventory provision on slow moving	6,430	3,922
Provision / (Reversal) of inventory written down	5,362	(13,129)
Fair value (gain) on investment	(80)	(1,157)
Interest expense	1,347	1,620
Interest income	(5,386)	(4,647)
Unrealised loss / (gain) on foreign exchange	8,865	(9,785)
<b>Operating loss before changes in working capital</b>	<b>(667)</b>	<b>(28,072)</b>
Changes in working capital:		
Inventories	(33,788)	43,334
Receivables	(19,879)	18,515
Payables	12,696	(11,610)
<b>Net cash (used in) / generated from operations</b>	<b>(41,638)</b>	<b>22,167</b>
Income tax paid	(1,317)	(6,418)
Income tax refund	1	-
Interest received	5,386	4,647
<b>Net cash flow (used in) / generated from operating activities</b>	<b>(37,568)</b>	<b>20,396</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(25,905)	(8,917)
Interest income from other investments	1,506	-
Addition to other investments	(3,012)	(1,592)
Proceeds from disposal of property, plant and equipment	7	61
<b>Net cash flows used in investing activities</b>	<b>(27,404)</b>	<b>(10,448)</b>
<b>Cash flows from financing activities</b>		
Repurchase of treasury shares	-	(144)
Net changes in bill payables	22,756	3,897
Net changes in term loan financing	(2,097)	(2,097)
Net changes in lease liabilities	(364)	-
Interest paid	(1,347)	(1,620)
<b>Net cash flows generated from financing activities</b>	<b>18,948</b>	<b>36</b>
<b>Net changes in cash and cash equivalents</b>	<b>(46,024)</b>	<b>9,984</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>141,182</b>	<b>134,564</b>
	<b>95,158</b>	<b>144,548</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(5,236)</b>	<b>6,366</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>89,922</b>	<b>150,914</b>

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 September 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 9 months year ended 30 September 2024:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
<b>Revenue</b>				
Revenue from				
external customers	249,259	-	-	249,259
Inter segment revenue	4,305	1,832	(6,137)	-
Total revenue	<u>253,564</u>	<u>1,832</u>	<u>(6,137)</u>	<u>249,259</u>
<b>Results</b>				
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				6,099
Net loss for the period				<u><u>(43,575)</u></u>

The Group's operating segments for the 9 months year ended 30 September 2023:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
<b>Revenue</b>				
Revenue from				
external customers	252,239	-	-	252,239
Inter segment revenue	99,985	2,038	(102,023)	-
Total revenue	<u>352,224</u>	<u>2,038</u>	<u>(102,023)</u>	<u>252,239</u>
<b>Results</b>				
Segment (loss)/profit	(11,192)	3,290	-	(7,902)
Interest income				4,647
Interest expense				(1,620)
Property, plant and equipment				
- depreciation				(33,864)
- gain on disposal				61
Depreciation of right-of-use asset				<u>(301)</u>
Loss before tax				(38,979)
Taxation				(2,256)
Net loss for the period				<u><u>(41,235)</u></u>

**12. Review of performance**

	3rd Quarter Ended		Year to Date Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	(3QYE30SEP24)	(3QYE30SEP23)	(9MFYE30SEP24)	(9MYE30SEP23)
	RM'000	RM'000	RM'000	RM'000
Revenue	105,485	72,449	249,259	252,239
Gross (loss) / profit	(5,331)	551	(19,491)	(28,262)
Operating loss	(25,608)	(3,474)	(48,327)	(37,359)
Loss before tax	(26,346)	(4,015)	(49,674)	(38,979)
Loss after tax	(26,320)	(7,913)	(43,575)	(41,235)
Loss attributable to Owners of the Company	(26,320)	(7,913)	(43,575)	(41,235)
Net loss margin	-25.0%	-10.9%	-17.5%	-16.3%

The Group achieved revenue of RM105.5 million for the third quarter ended 30 September 2024, reflecting a 46% increase compared to RM72.4 million in the corresponding quarter of 2023. This growth in revenue is attributable to securing more sales orders from our customers, alongside the improving market conditions.

The changes in gross margin from RM0.5 million to gross loss of RM5.3 million largely driven by higher provisions for slow-moving inventory and write-downs to net realizable value of RM5.1 million. Our continued focus on cost control and operational efficiency has positively impacted profitability, despite the challenges posed by other factors.

The Group current quarter loss after tax of RM26.3 million compare to last year correspondence quarter of 3QYE30SEP23 of RM 7.9 million is largely driven by higher provisions for slow-moving inventory and write-downs to net realizable value of RM5.1 million and a significant foreign currency loss of RM13.6 million, compared to a positive reversal of provisions RM1.4 million and a small foreign currency gain RM0.122 million in the same quarter last year.

The overall financial impact for the quarter is notably worse due to the increased provisions and foreign currency loss, whereas the corresponding quarter in 2023 saw positive adjustments.



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

	Quarter Ended		
	30.09.2024 (3QYE30SEP24)	30.06.2024 (2QYE30JUN24)	Changes
	RM'000	RM'000	%
<b>Revenue</b>	105,485	76,569	38%
<b>Gross loss</b>	(5,331)	(4,091)	-30%
<b>Operating loss</b>	(25,608)	(9,505)	-169%
<b>Loss before tax</b>	(26,346)	(9,988)	-164%
<b>Loss after tax</b>	(26,320)	(6,628)	-297%
<b>Loss attributable to owners of the Company</b>	(26,320)	(6,628)	-297%
<b>Net loss margin</b>	-25.0%	-15.8%	

For the current quarter under review (3QYE30SEP24), the Group achieved revenue of RM105.5 million, reflecting a 38% increase compared to the previous quarter (2QYE30JUN24). This significant growth in revenue is primarily driven by higher sales volumes from both domestic and international markets, indicating improved market conditions or the effectiveness of our sales strategies.

However, the Group reported a loss of RM26.3 million in 3QYE30SEP24, a notable increase from the loss of RM6.6 million recorded in 2QYE30JUN24. This variance is largely attributable to the absence of a deferred tax credit in the current quarter. In 2QYE30JUN24, the Group recognized a deferred tax credit of RM3.5 million, which helped mitigate the loss. In addition, during 3QYE30SEP24, the Group made provisions for slow-moving inventory and write-downs to net realizable value totalling RM5.1 million, and incurred a foreign currency loss of RM13.5 million, whereas during 2QYE30JUN24, the group made inventory provision for only RM 3.8 million and foreign currency loss of RM 0.057 million.

**14. Current year prospects**

The positive outlook of the Group business and operation has steadily improved, mainly driven by the recovery of our primary revenue driver which is industrial and examination gloves sector. Demand for gloves has been increasing steadily and the global average selling price is stabilizing. However, the foreign currency fluctuation remained a challenge for the Group.

With our extensive experience as a glove manufacturer and supplier, we are confident in our ability to continue providing support and services to our valued customers as they regain momentum in their respective markets.

The Management is committed to continuously improving operational efficiency and product quality whilst exercising prudent cost management across the entire Group.

**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 30.09.2024 RM'000	3 months ended 30.09.2023 RM'000	YTD ended 30.09.2024 RM'000	YTD ended 30.09.2023 RM'000
Interest income	1,404	1,668	5,386	4,647
Interest expense	(738)	(541)	(1,347)	(1,620)
Depreciation on property, plant and equipment	(9,511)	(11,145)	(30,183)	(33,864)
Depreciation of right-of-use asset	(113)	(100)	(628)	(301)
(Loss) / Gain on Foreign Exchange:				
- realised	(1,573)	899	(845)	(781)
- unrealised	(11,936)	(777)	(8,865)	9,785
Fair value (loss) on derivatives	(443)	(17)	(558)	(39)
(Loss) / Gain on disposal of plant and equipment	(284)	55	(285)	61
Written back of doubtful debts	-	-	33	60
Inventory provision on slow moving	(1,740)	(1,376)	(6,430)	(3,922)
(Provision) / reversal of Inventories written down	(3,436)	2,803	(5,362)	13,129

## 17. Capital Commitments

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

	YTD Ended 30.09.2024 RM'000	YTD Ended 30.09.2023 RM'000
Property, plant and equipment		
- approved and contracted for	13,310	3,655
- approved but not contracted for	-	-
	<u>13,310</u>	<u>3,655</u>

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

## 18. Taxation

	3rd Quarter Ended		YTD Ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Deferred taxation - current year	25	-	6,220	(3,640)
Taxation - current year	-	(1,964)	(121)	1,101
- over provision in prior year	-	-	-	283
	<u>25</u>	<u>(1,964)</u>	<u>6,099</u>	<u>(2,256)</u>

## 19. Derivative financial Liabilities

	Quarter Ended 30.09.2024		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	<u>15,863</u>	<u>(559)</u>	<u>938</u>	<u>(38)</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 6 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 September 2024.

**22. Borrowings**

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

	<b>YTD Ended 30.09.2024 RM'000</b>	<b>YTD Ended 31.12.2023 RM'000</b>
<b>Non current:</b>		
<b>Secured</b>		
- Term Loan (RM denominated)	5,299	7,396
- Lease liability	1,267	1,632
	6,566	9,028
<b>Current:</b>		
<b>Secured</b>		
- Bill payables (USD denominated)	26,234	18,547
- Bill payables (RM denominated)	23,896	11,950
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	45	44
	52,971	33,337
	59,537	42,365

**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 September 2024 is as follow:

	YTD Ended 30.09.2024	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2024 / 30 Sep 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 September 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
	30.09.2024	30.09.2024
Loss attributable to owners of the Company (RM'000)	(26,320)	(43,575)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,592	579,942
Effect of treasury shares held	-	(350)
Weighted average number of ordinary shares for diluted earnings per share ('000)(basic)	579,592	579,592
Basic loss per ordinary share (sen)	(4.54)	(7.52)

**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>30.09.2024</b>	<b>30.09.2024</b>
Loss attributable to owners of the Company (RM'000)	(26,320)	(43,575)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,592	579,592
Effect of treasury shares held	-	(350)
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>579,592</u>	<u>579,242</u>
Diluted loss per ordinary share (sen)	(4.54)	(7.52)