



COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022 ⁽¹⁾

	<i>Note</i>	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		Unaudited 31.10.2022	Unaudited 31.10.2021⁽²⁾	Unaudited 31.10.2022	Unaudited 31.10.2021⁽²⁾
		RM'000	RM'000	RM'000	RM'000
Revenue	<i>A9</i>	15,407	N/A	29,249	N/A
Cost of sales		(11,519)	N/A	(21,783)	N/A
Gross profit		3,888	N/A	7,466	N/A
Other income		198	N/A	500	N/A
Administrative expenses		(2,257)	N/A	(3,423)	N/A
Selling and distribution expenses		(1,166)	N/A	(1,669)	N/A
Profit from operations		663	N/A	2,874	N/A
Finance costs		(164)	N/A	(295)	N/A
Profit before taxation	<i>B5</i>	499	N/A	2,579	N/A
Taxation	<i>B6</i>	(447)	N/A	(977)	N/A
Profit for the financial period		52	N/A	1,602	N/A
Other comprehensive income		-	N/A	-	N/A
Total comprehensive income for the financial period		52	N/A	1,602	N/A
Profit attributable to:					
- Equity holders of the Company		52	N/A	1,602	N/A
Total comprehensive income for the financial period attributable to:					
- Equity holders of the Company		52	N/A	1,602	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022 ⁽¹⁾

	<u>Note</u>	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽²⁾</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽²⁾</u> <u>RM'000</u>
Earnings per share (sen) ⁽³⁾					
- Basic	B8	0.02	N/A	0.71	N/A
- Diluted		0.02	N/A	0.71	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company in relation to its initial public offering ("IPO") dated 14 September 2022 ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report being announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative quarter concerned.
- (3) Basic and diluted earnings per share is calculated based on the weighted average number of issued ordinary shares in the Company ("Shares") (as defined in Note B8).
- (4) Below is the normalised financial performance after adjusting the one-off listing expenses.

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021</u> <u>RM'000</u>
Profit for the financial period	52	N/A	1,602	N/A
Add: Listing expenses	1,229	N/A	1,345	N/A
Adjusted profit for the financial period	1,281	N/A	2,947	N/A

N/A - Not Applicable

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2022⁽¹⁾

	<i>Note</i>	Unaudited 31.10.2022 RM'000	Audited 30.4.2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		19,725	4,215
Right-of-use assets		137	239
Total non-current assets		19,862	4,454
Current assets			
Inventories		10,033	10,718
Trade and other receivables		21,617	15,343
Other current assets		758	1,922
Fixed deposits with licensed banks, cash and bank balances		25,027	13,393
Total current assets		57,435	41,376
TOTAL ASSETS		77,297	45,830
EQUITY AND LIABILITIES			
Equity			
Share capital		36,406	13,963
Retained earnings		14,190	12,588
TOTAL EQUITY		50,596	26,551
Non-current liabilities			
Borrowings	<i>B7</i>	226	246
Lease liabilities		3,500	2,093
Deferred tax liabilities		36	36
Total non-current liabilities		3,762	2,375
Current liabilities			
Trade and other payables		13,501	10,061
Borrowings	<i>B7</i>	7,464	4,916
Lease liabilities		1,188	848
Provision of taxation		786	1,079
Total current liabilities		22,939	16,904
TOTAL LIABILITIES		26,701	19,279
TOTAL EQUITY AND LIABILITIES		77,297	45,830
NET ASSETS PER SHARE (sen)⁽²⁾		22.54	13.80

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is computed based on the weighted average number of shares of 224,438,650 Shares.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022⁽¹⁾⁽²⁾

	<u>Non-distributable</u>	<u>Distributable</u>	<u>Total</u>
	Share capital	Retained	equity
	RM'000	earnings	RM'000
	RM'000	RM'000	
Balance as at 1 May 2022	13,963	12,588	26,551
Issuance of shares	22,443	-	22,443
Profit for the financial period	-	1,602	1,602
Balance as at 31 October 2022	36,406	14,190	50,596

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022⁽¹⁾

	Note	For the 6 months ended	
		31.10.2022 RM'000	31.10.2021 ⁽²⁾ RM'000
Cash flows from operating activities			
Profit before taxation		2,579	N/A
Adjustments for:			
Depreciation of property, plant and equipment		537	N/A
Depreciation of right-of-use assets		102	N/A
Interest expense		295	N/A
Interest income		(51)	N/A
Operating gain before working capital changes		3,462	N/A
Decrease in inventories		685	N/A
Increase in trade and other receivables		(6,274)	N/A
Decrease in other current assets		1,164	N/A
Increase in trade and other payables		3,440	N/A
Increase in bills payable		1,442	N/A
Cash generated from operations		3,919	N/A
Interest paid		(103)	N/A
Tax paid		(1,270)	N/A
Net cash generated from operating activities		2,546	N/A
Cash flows from investing activities			
Purchase of property, plant and equipment		(16,047)	N/A
Interest income received		51	N/A
Net cash used in investing activities		(15,996)	N/A
Cash flows from financing activities			
Fixed deposit interest pledged		(9)	N/A
Decrease in fixed deposit pledged		405	N/A
Drawdown of lease liabilities		2,199	N/A
Repayment of lease liabilities		(348)	N/A
Lease liabilities interest paid		(143)	N/A
Proceeds from issuance of shares	B12	22,443	N/A
Repayment of obligation under lease liabilities		(104)	N/A
Term loan interest paid		(49)	N/A
Drawdown of term loans		10,089	N/A
Repayment of term loans		(7,020)	N/A
Net cash generated from financing activities		27,463	N/A
Net increase in cash and cash equivalents		14,013	N/A
Cash and cash equivalents at beginning of the period		9,690	N/A
Cash and cash equivalents at end of the period		23,703	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022⁽¹⁾ (CONT'D)

	<u>For the 6 months ended</u>	
	<u>31.10.2022</u>	<u>31.10.2021⁽²⁾</u>
	<u>RM'000</u>	<u>RM'000</u>
Cash and cash equivalents at end of the period consist of:		
Cash and bank balances	16,262	N/A
Fixed deposit placed with licensed bank	8,765	N/A
	<u>25,027</u>	<u>N/A</u>
Bank overdraft	(443)	N/A
Fixed deposit pledged to licensed banks	(881)	N/A
	<u>23,703</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not Applicable

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 - INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of Cosmos Technology International Berhad (“COSMOS” or the “Company”) and its subsidiaries (the “Group”) is unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities.

This is the second interim financial report for the second quarter ended 31 October 2022 announced by the Group in compliance with the Listing Requirements of Bursa Securities. As such, there are no comparative figures for the preceding corresponding quarter.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company in relation to its initial public offering (“IPO”) dated 14 September 2022 (“Prospectus”) and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements for the financial year ending 30 April 2023:

Title		Effective Date
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 May 2022
Amendments to MFRS 3:	Business Combinations	1 May 2022
Amendments to MFRS 9:	Financial Instruments	1 May 2022
Amendments to MFRS 116:	Property, Plant and Equipment	1 May 2022
Amendments to MFRS 137:	Provisions, Contingent Liabilities and Contingent Assets	1 May 2022

MFRSs that have been issued but only effective for financial period beginning on 1 January 2023 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any significant impact to the financial statements:

Title		Effective Date
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112:	Income Taxes	1 January 2023

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A3. Auditors' Report on Preceding Annual Financial Statements

The audited consolidated financial statements of the Group for the financial year ended 30 April 2022 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter under review and financial period to date.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review and financial period to date.

A6. Material Changes in Estimates and Judgements

There were no material changes in accounting estimates and judgements that have a material effect on the current financial quarter under review and financial period to date.

A7. Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter under review.

A8. Dividend Paid

There were no dividends paid during the current financial quarter under review.

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A9. Segmental Information

The segmental analysis of Group's revenue is set out as follows:

(a) Revenue segmented by business activities, products and services

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽¹⁾</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽¹⁾</u> <u>RM'000</u>
Distribution	3,091	N/A	7,170	N/A
Manufacturing	12,316	N/A	22,079	N/A
	<u>15,407</u>	<u>N/A</u>	<u>29,249</u>	<u>N/A</u>

(b) Revenue segmented by geographical locations

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽¹⁾</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽¹⁾</u> <u>RM'000</u>
Malaysia	3,844	N/A	12,090	N/A
United States of America	11,240	N/A	16,836	N/A
United Arab Emirates	323	N/A	323	N/A
	<u>15,407</u>	<u>N/A</u>	<u>29,249</u>	<u>N/A</u>

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not applicable

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A10. Capital Commitments

There are no material capital commitments as at the date of this unaudited interim financial report.

A11. Valuation of property, plant and equipment

There were no valuation of property, plant and equipment in the current financial quarter under review.

A12. Contingent Assets and Liabilities

There were no material contingent assets and liabilities as at the end of the unaudited interim financial period.

A13. Changes in Composition of the Group

There were no material changes in the composition of the Group during the current financial quarter under review.

A14. Related party transaction

There were no material related party transactions during the financial quarter under review.

A15. Significant Events Occurring After the Financial Period

There were no significant events subsequent to the end of the current financial period.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance for current quarter and the six (6) months financial period ended 31 October 2022⁽¹⁾

The Group recorded revenue of RM15.4 million and RM29.2 million for the current quarter and the 6 months financial period ended 31 October 2022, respectively. The Group's revenue for the financial period to date was mainly attributable by the following:

- (i) revenue generated from distribution segment amounting to RM7.1 million, representing 24.5% of total revenue;
- (ii) revenue generated from manufacturing segment amounting to RM22.1 million, representing 75.5% of total revenue;

The Group recorded profit before taxation ("PBT") of RM0.5 million for the current quarter and RM2.6 million for the financial period ended 31 October 2022. Administrative expenses of current quarter and financial period to date have included a one-off listing expense of approximately RM1.2 million and RM1.3 million respectively. The adjusted PBT after excluding the listing expenses will be RM1.7 million for the current quarter and RM3.9 million for the financial period to date ended 31 October 2022.

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period.

B2. Review of performance for current quarter ended 31 October 2022 (Q2FY2023) with the immediate preceding quarter ended 31 July 2022 (Q1FY2023)

	Q2FY2023 RM'000	Q1FY2023 RM'000	Variance	
			RM'000	%
Revenue	15,407	13,842	1,565	11.3%
Gross profit	3,888	3,578	310	8.7%
Gross profit margin (%)	25.2	25.8	N/A	N/A
Profit before taxation	499	2,080	(1,581)	-76.0%

The Group revenue increased from RM13.8 million in Q1FY2023 to RM 15.4 million in Q2FY2023 by approximately RM1.6 million due to the increase in manufacturing segment by RM2.6 million netted off against the decrease in distribution segment by RM1.0 million.

The gross profit margin remains consistent with the immediate preceding quarter.

Profit before taxation decreased by approximately RM1.6 million from RM2.1 million in Q1FY2023 to RM0.5 million in Q2FY2023. This is due to the higher non-recurring listing expenses of RM1.2 million incurred in Q2FY2023 compared to RM0.1 million in Q1FY2023 and increase in carriage outwards expenses of RM0.6 million in Q2FY2023 due to increase in export sales.

N/A - Not applicable

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B3. Commentary on Prospects

With the utilisation of IPO proceeds as disclosed in Note B12 and our Prospectus, the Group's expansion plan is expected to contribute positively in the future.

The Group has completed its Acquisition of New Building which is a piece of industrial land with existing and ready built factory as well as office in Balakong industrial area on 27 September 2022. As disclosed in Section 4.5 of the Company's Prospectus dated 14 September 2022 in relation to its IPO, the Group plans to consolidate and centralise the management, operation and production space of Cosmos Instruments Sdn Bhd and Marc Conleth Industries Sdn Bhd ("MCI") in the New Building. MCI plans to transfer its manufacturing operations and production space to the New Building after completion of renovation work. This move will enable the Group to streamline all the internal administrative and finance processes, increase efficiency and reduce travel time and costs.

In addition, the Group intends to upgrade its manufacturing capacities by adopting new and improved machineries that provides higher efficiency, higher precision, higher output and increased automation. The relocation of the Group's operation provides the Group an opportunity to redesign the manufacturing processes and systems, identify and reduce inefficiencies of the use of production space.

Reducing the high non-revenue water ("NRW") rate has always been a challenge to the local authorities in Malaysia, especially in Perlis and Pahang. The Malaysian government is continuously taking initiatives to reduce the NRW rates, mainly by replacing old or damaged water flowmeter and building new water treatment plants to overcome water shortage issue. This can be seen through the latest budget allocation for water treatment projects in Kelantan and proposed study on the construction and system upgrade of the water treatment plant in Johor. While in Selangor and Terengganu, there are also several upgrading projects for NRW and billing works as well as replacement of water instrumentations which are open for tender. Cosmos has tendered and intends to tender for these projects. With our track record for our water instrumentations, we are optimistic to be awarded for part of these projects. The projects above have contributed to the strong market demand for fluid control and telemetry products in Malaysia.

(Source:

[https://www.nst.com.my/news/nation/2022/02/770602/tuan-ibrahim-govt-targets-resolve-nrw-issue-under-12mp#:~:text=KOTA%20BARU%3A%20The%20Non%2DRevenue,the%20highest%20rate%20of%20NRW,](https://www.nst.com.my/news/nation/2022/02/770602/tuan-ibrahim-govt-targets-resolve-nrw-issue-under-12mp#:~:text=KOTA%20BARU%3A%20The%20Non%2DRevenue,the%20highest%20rate%20of%20NRW)

<https://www.nst.com.my/news/nation/2022/03/779688/paab-allocates-rm471-million-water-treatment-plant-projects-kelantan>)

The Organisation of the Petroleum Exporting Countries (OPEC) is expecting to see robust global oil demand growth in 2023, therefore the Group remains optimistic with the market demand for the fabricated metal products which is mainly driven by the oil demand.

(Source: <https://www.reuters.com/business/energy/opec-sticks-2022-2023-oil-demand-growth-forecasts-after-downgrades-2022-12-13/>)

The uncertainty in the global economy remains a concern for management. Nevertheless, the management remains cautiously optimistic and shall proactively manage any challenges the Group may face in the future.

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B4. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

B5. Profit before Taxation

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽¹⁾</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽¹⁾</u> <u>RM'000</u>
Profit before taxation is arrived at after charging:				
Auditors' remuneration				
- current period	15	N/A	31	N/A
Depreciation of property, plant and equipment	313	N/A	537	N/A
Depreciation of right-of-use assets	51	N/A	102	N/A
Finance cost				
- bank overdraft interest	18	N/A	28	N/A
- bills payable interest	37	N/A	75	N/A
- term loan interest	47	N/A	49	N/A
- lease liabilities interest	62	N/A	143	N/A
Listing expenses	1,229	N/A	1,345	N/A
and crediting:				
Interest income	24	N/A	51	N/A
Realised foreign exchange gain	87	N/A	278	N/A

Notes:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not applicable

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B6. Income tax expense

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽¹⁾</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Unaudited</u> <u>31.10.2021⁽¹⁾</u> <u>RM'000</u>
Current tax expense:				
- current financial period	447	N/A	977	N/A
Effective tax rate	89.6%	N/A	37.9%	N/A
Statutory tax rate	24.0%	N/A	24.0%	N/A

The variance between effective tax rate and statutory tax rate was mainly due to the non-deductible listing expenses amounting to RM1,229,000 and RM1,345,000 incurred in current quarter and cumulative quarter respectively.

Notes:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not applicable

B7. Borrowings

	<u>Unaudited</u> <u>31.10.2022</u> <u>RM'000</u>	<u>Audited</u> <u>30.4.2022</u> <u>RM'000</u>
Current		
Bank overdraft (secured)	443	2,426
Bills payable (secured)	3,892	2,450
Term loan (secured)	3,129	40
	<u>7,464</u>	<u>4,916</u>
Non-current		
Term loan (secured)	226	246
	<u>226</u>	<u>246</u>
Total borrowings	<u>7,690</u>	<u>5,162</u>

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2022

B8. Earnings per share ("EPS")

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Q2FY2023	Q2FY2022	Q2FY2023	Q2FY2022
Profits attributable to equity holders of the Company (RM'000)	52	N/A	1,602	N/A
Weighted average number of shares used in computation of basic EPS	224,438,650	N/A	224,438,650	N/A
Basic earnings attributable to equity holders of the Company (Malaysian sen)	0.02	N/A	0.71	N/A
Diluted earnings attributable to equity holders of the Company (Malaysian sen) ⁽¹⁾	0.02	N/A	0.71	N/A

Notes:

(1) There are no dilutive instruments as at the end of the financial period.

N/A - Not applicable

B9. Material Litigation

The Group was not engaged in any material litigation as at the date of this unaudited interim financial report.

B10. Dividend

The Board declared on 29 December 2022, an interim single-tier dividend of 0.5 sen per ordinary share for the financial year ending 30 April 2023 amounting to RM1,282,507. The dividends will be paid on 20 February 2023 to the shareholders whose name appears in the Record of Depositors at the close of business on 30 January 2023.

B11. Derivative financial instruments

As at 31 October 2022, the Group does not have any derivative financial instruments.

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B12. Utilisation of proceeds

Save as disclosed below, there were no corporate proposals announced but pending completion as at the date of this unaudited interim financial report.

On 14 September 2022, the Company issued the Prospectus for the IPO in conjunction with its listing and quotation on the ACE Market of Bursa Securities (“**Listing**”) comprising a public issue of 64,125,300 new Shares, representing approximately 25% of the enlarged issued share capital of the Company, at an issue price of RM0.35 per Share (“**Public Issue**”) allocated in the following manner:

- 12,825,000 new Shares made available for application by the Malaysian Public by way of balloting;
- 7,880,000 new Shares made available for application by the eligible directors, employees and persons who have contributed to the success of the Group;
- 11,357,600 new Shares made available for application by way of private placement to selected investors; and
- 32,062,700 new Shares made available for application by way of private placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry (“**MITI**”).

On 6 October 2022, COSMOS was officially listed on the ACE Market of Bursa Securities with public issue of 64,125,300 new Shares at an issue price of RM0.35 per Share for the entire enlarged total number of 256,501,300 Shares and raise a funds of total RM22,443,855.

The group has completed the Acquisition of New Building on 27 September 2022.

The utilisation of proceeds as disclosed above shall be read in conjunction with the Prospectus. As at 28 December 2022, the gross proceeds of approximately RM22.44 million raised from the IPO which intended to be utilised and up-to-date are mentioned as below:

Purpose	Proposed	Actual	Unutilised	Intended Timeframe for
	Utilisation	Utilisation	Portion	
	RM'000	RM'000	RM'000	Utilisation
(i) Acquisition of New Building	10,000	8,000	2,000	Within 24 months
(ii) Purchase of new machineries	3,500	1,500	2,000	Within 24 months
(iii) Repayment of bank borrowing	1,500	1,500	-	Within 6 months
(iv) Working capital	4,444	2,320	2,124	Within 12 months
(v) Estimated listing expenses	3,000	3,000	-	Within 1 months
Total	<u>22,444</u>	<u>16,320</u>	<u>6,124</u>	

BY ORDER OF THE BOARD
COSMOS TECHNOLOGY INTERNATIONAL BERHAD
29 DECEMBER 2022